



Illinois Municipal Electric Agency  
3400 Conifer Drive, Springfield, IL 62711  
217-789-4632 / Fax 217-789-4642

August 13, 2025

Re: **Executive Board Meeting: Wednesday, August 20 at 2:00 p.m.**  
**Board of Directors Meeting: Thursday, August 21 at 10:00 a.m.**

Dear IMEA Board of Directors:

We look forward to having you with us this month for our upcoming meetings and have several action items on the agenda. Remote access to the meeting is available for listening purposes only using the Microsoft Teams webinar system and that information is on the bottom of the agenda.

Of interest this month, we will consider the approval of a new IMEA Power Sales Contract for the City of Cairo and Cairo Public Utility Company for the period from October 1, 2035 through May 31, 2055. Along with our regular reports, we will also consider the approval of a limited variance for the Village of Winnetka regarding the Small Renewable Generation Resource Policy and the approval of a limited waiver for the City of Bushnell regarding replacement generation. We will also consider authorizing the sale of land to Ameren Illinois Company as part of the regional transmission project around Highland and the approval of a new delivery point for the City of Rock Falls for a customer installing a PURPA facility.

Jodi Dobson from Baker Tilly will report in person on the recent annual financial audit results. The Audit Report is attached along with the Communication Letter and Chris Wise has hard copies of these documents available in his office.

Please feel free to contact me should you have questions and stay safe!

Sincerely,

Kevin M. Gaden  
President & CEO

Attachments

**ILLINOIS MUNICIPAL ELECTRIC AGENCY  
EXECUTIVE BOARD MEETING  
Wednesday, August 20, 2025 @ 2:00 p.m.**

Manner of Attendance: Participation in this meeting will be available in person only for both members and the general public. As an accommodation to Board members that cannot physically attend and the general public, a webinar broadcast of the meeting will be available live in listen-only mode.

**AGENDA**

Call to Order  
Roll Call  
Approval of Minutes – 6/25/25  
Opportunity for Public Comment

**Old Business**

1. Consideration and Approval of Executive (Closed) Session Minutes
  - a. January 22, 2025
2. Update on Solar Projects
3. Update on Legal Matters
4. Other old business

**New Business**

1. Resolution #25-08-955 – Accepting and Approving New IMEA Power Sales Contract for the City of Cairo and Cairo Public Utility Company for the Period October 1, 2035 Through May 31, 2055
2. Update on the Status of the New Power Sales Contract Offer at St. Charles
3. Resolution #25-08-956 - Accepting and Approving New IMEA Power Sales Contract for the City of Naperville for the Period October 1, 2035 Through May 31, 2055
4. Update on the Negotiations of Establishing IMEA Transmission System
5. Consideration and Approval of Upgrades to Flora Generators
6. Resolution #25-08-957 – Approving Limited Variance for the Village of Winnetka Regarding the Small Renewable Generation Resource Policy
7. Resolution #25-08-958 – Approving Limited Waiver for the City of Bushnell Regarding the Capacity Purchase Agreement and IMEA Member Generation Policy
8. Resolution #25-08-959 – Authorizing the Sale of Land to Ameren Illinois Company
9. Resolution #25-08-960 – Approving New Delivery Point for the City of Rock Falls
10. Other new business
11. Adjourn

Calling for a motion to go into Executive Session for one of the following reasons:

- Discussion of IMEA litigation
- Discussion of the purchase, sale or delivery of electricity
- Discussion of personnel matters

**WEBINAR PARTICIPATION for Listen-Only Purposes** - Please use the link below to register:

[IMEA Executive Board Meeting | Meeting-Join | Microsoft Teams](#)

After registering, you will receive a link via email to join the meeting. Should you have any questions regarding this process, please reach out to Glenn Cunningham or Adam Baker at (217) 789-4632.

**ILLINOIS MUNICIPAL ELECTRIC AGENCY  
BOARD OF DIRECTORS MEETING  
Thursday, August 21, 2025 @ 10:00 a.m.**

Manner of Attendance: Participation in this meeting will be available in person only for both members and the general public. There will be an opportunity for public comment in person at the meeting. In addition, as an accommodation to Board members that cannot physically attend and the general public, a webinar broadcast of the meeting will be available live in listen-only mode.

**AGENDA**

Call to Order  
Pledge of Allegiance  
Roll Call  
Approval of Minutes – 6/26/25  
Opportunity for Public Comment  
Treasurer's Report  
President & CEO Report  
    a. Legislative update

**Old Business**

1. Consideration of Executive (Closed) Session Minutes
  - a. November 6-7, 2019
  - b. June 17, 2021
  - c. November 9-10, 2022
2. Update on Operations
3. Update on Trimble County
4. Update on Prairie State
5. Update on Local Generation/Transmission
6. Update on Solar Projects
7. Update on Legal Matters
8. Other old business

**New Business**

1. Presentation & Approval of FY24/25 Fiscal Audit by Baker Tilly Virchow Krause, LLP
2. Resolution #25-08-955 – Accepting and Approving New IMEA Power Sales Contract for the City of Cairo and Cairo Public Utility Company for the Period October 1, 2035 Through May 31, 2055
3. Update on the Status of the New Power Sales Contract Offer at St. Charles
4. Resolution #25-08-956 – Accepting and Approving New IMEA Power Sales Contract for the City of Naperville for the Period October 1, 2035 Through May 31, 2055
5. Update on the Negotiations of Establishing IMEA Transmission System
6. Consideration and Approval of Upgrades to Flora Generators
7. Resolution #25-08-957 – Approving Limited Variance for the Village of Winnetka Regarding the Small Renewable Generation Resource Policy
8. Resolution #25-08-958 – Approving Limited Waiver for the City of Bushnell Regarding the Capacity Purchase Agreement and IMEA Member Generation Policy
9. Resolution #25-08-959 – Authorizing the Sale of Land to Ameren Illinois Company
10. Resolution #25-08-960 – Approving New Delivery Point for the City of Rock Falls

11. Consideration & Approval of Executive Recruitment Proposal
12. Other new business
13. Adjourn

Calling for a motion to go into Executive Session for one of the following reasons:

- Discussion of IMEA litigation
- Discussion of the purchase, sale or delivery of electricity
- Discussion of personnel matters

**WEBINAR PARTICIPATION** - Please use the link below to register:

[IMEA Board of Directors Meeting | Meeting-Join | Microsoft Teams](#)

After registering, you will receive a link via email to join the meeting. Should you have any questions regarding this process, please reach out to Glenn Cunningham or Adam Baker at (217) 789-4632.

# **ILLINOIS MUNICIPAL ELECTRIC AGENCY**

## **REPORT OF EXECUTIVE BOARD MEETING**

**WEDNESDAY, JUNE 25, 2025**

A regularly scheduled meeting of the Executive Board of the Illinois Municipal Electric Agency was held in person pursuant to proper notice at the IMEA headquarters building, 3400 Conifer Drive, Springfield, Illinois on June 25, 2025. Chairman Dan Cook called the meeting to order at 2:00 p.m. Roll call was taken which showed a quorum was present. Participation in this meeting was available in person only for both members and the general public, however, as an accommodation to members that could not physically attend and the general public, a webinar broadcast of the meeting was made available live in listen-only mode.

The Report of April 23, 2025 was moved for approval by Brian Groth and seconded by Pete Suhr. The motion carried by unanimous roll call vote.

Opportunity for Public Comment: Chairman Cook stated that pursuant to the Open Meetings Act, any person attending this meeting shall be permitted an opportunity to comment. Questions during the rest of the meeting are reserved for Board members. He then asked if anyone from the public would like to make a comment. Hearing none, Chairman Cook proceeded with the meeting.

### **OLD BUSINESS**

Update on Solar Projects – Eric Weinant reported that the Commercial Operation Date has been finalized for all three solar projects and all punch list items have been completed. He stated that dedication ceremonies have been held for Oglesby and Princeton while Marshall's dedication ceremony will be held in a couple of weeks.

Regarding the USDA Pace loans being sought by SolAmerica to develop Illinois solar projects, Weinant reported that the USDA is releasing funds after an initial pause from the new administration, although no formal word from SolAmerica that the project funds are forthcoming has been received. He explained that proposed legislation and possible tariffs are creating uncertainty. These projects would be grandfathered for tax credits under current proposals, but could reduce over time. SolAmerica is working on environmental reviews and the USDA loan documents.

Weinant stated that the IMEA Board has already approved the authorization of Power Purchase Agreements (PPAs) for Highland, Metropolis and Carmi in August 2024 for nearly 11 MW. Weinant then reported that the Interconnection Study for a 2.25 MW project in Chatham has been completed. IMEA Staff will ask for authorization from the Board if the remaining hurdles are met.

Update on Legal Matters – General Counsel Troy Fodor reported on the following matters:

- Department of Energy (DOE) declared Energy Emergencies in MISO and PJM regions Stemming from Executive Order 14262 – DOE Order 202-25-3, issued on May 23, 2025, directed MISO and Consumers Energy to keep J.H. Campbell power plant in Michigan running until August 21, 2025. DOE Order 202-25-4, issued on May 30, 2025 directed PJM and Constellation Energy to keep Eddystone Generating Station Units 3 and 4 in Pennsylvania running until August 28, 2025. Both generators had May 31, 2025 retirement dates. The cost impact of keeping Eddystone Units 3 and 4 online is being discussed in PJM stakeholder proceedings. The initial PJM proposal is to allocate costs as capacity costs due to the DOE Order being based in Resource Adequacy using monthly UCAP obligation ratio share. IMEA's impact would be approximately \$5,000/month for those three months. The final proposal to be filed with FERC by PJM. Regarding the J.H. Campbell plant, Consumer Energy has filed a Complaint against MISO at FERC seeking compensation for continuing to run the plant.
- Environmental Protection Agency (EPA) Proposed to Repeal All Greenhouse Gas Standards for Fossil Fuel-Fired Power Plants - On June 11, 2025, the EPA filed its proposal to repeal all greenhouse gas standards for fossil fuel-fired power plants. As of June 17, 2025, the proposed rule was published in the Federal Register and comments are due on August 7, 2025.
- Public Citizen, Inc. et al. v. Midcontinent Independent System Operator, Inc. et al. (Docket No. EL 15-70-003 et al.) – This case involves the allegations against Dynegy's alleged market manipulation in MISO's 2015/2016 auction results for Zone 4. An Agreement in principle was reached on May 15, 2025 by the impacted parties. The settlement documents are being prepared.
- MISO Filing to Revise Tariff for Expedited Resource Addition Study Process (Docket No. ER25-1674, then ER25-2454) – Filed on March 17, 2025, MISO proposed to fast-track eligible generators in a separate, temporary interconnection process on a "first-come first-served basis. This filing is similar to PJM's Reliability Resource Initiative filing that was approved by FERC on February 11, 2025. IMEA intervened on March 24, 2025. FERC rejected the filing via Order on May 16, 2025, citing an absence of a limit to how many projects can enter an expedited process and how the proposal will address reliability and resource adequacy concerns. MISO re-filed a revised version of the proposal on June 6, 2025.
- Voltus, Inc. v. Midcontinent Independent System Operator, Inc. (Docket No. EL25-52-000) – On January 24, 2025, Voltus filed a complaint against MISO alleging that MISO's LMR testing clarifications made its Demand Resources (DR) ineligible for the PY25/26 auction. Voltus is requesting FERC to direct MISO to revert to its pre-clarification DR requirements. MISO filed a Motion to Dismiss Voltus' complaint on February 13, 2025; still awaiting FERC response. IMEA Staff is monitoring the case for impacts on MISO demand response rules.
- MISO Filing to Revise Demand Response Participation Rules (Docket No. ER25-1729) – Filed on March 21, 2025, MISO proposed to add availability and control requirements for demand and energy storage resources for Planning Resource Auction participation. IMEA intervened on April 2, 2025. Only one protest came from Voltus on April 11, 2025; still awaiting FERC response to filing.
- MISO Filing to Revise Tariff to Implement Demand Response and Emergency Resource Reforms (Docket No. ER25-1886) – Filed on April 4, 2025, MISO proposed to accredit Demand Response and Emergency Resources based on availability during emergencies. Because Load Modifying Resources (LMRs) are included in this proposal, IMEA's use of the members' BTMG to meet Load Serving Entity obligations will be affected. IMEA intervened and filed its protest on May 5,

2025. MISO filing was heavily protested by other LSEs and industrial load/LMR owners; still awaiting FERC response on filing.

- Ameren Illinois Filing Regarding WCA between Ameren Illinois Company, IMEA, and City of Sullivan (Docket No. ER25-2458) - Ameren filed the executed WCA between itself, Sullivan and IMEA on June 9, 2025.
- Ameren Illinois Filing Regarding WCA between Ameren Illinois Company, IMEA, and City of Carlyle (Docket No. ER25-2366) - Ameren filed the executed WCA between itself, Carlyle and IMEA on May 30, 2025.
- Ameren Illinois Filing Regarding WCA between Ameren Illinois Company, IMEA, and City of Roodhouse (Docket No. ER25-2367) - Ameren filed the executed WCA between itself, Roodhouse and IMEA on May 30, 2025.
- Ameren Illinois Filing Regarding WCA between Ameren Illinois Company, IMEA, and City of Bushnell (Docket No. ER25-2340) - Ameren filed the executed WCA between itself, Bushnell and IMEA on May 29, 2025.
- Ameren Illinois Filing Regarding WCA between Ameren Illinois Company, IMEA, and City of Waterloo (Docket No. ER25-2338) - Ameren filed the executed WCA between itself, Waterloo and IMEA on May 29, 2025.
- Ameren Illinois Filing Regarding WCA between Ameren Illinois Company, IMEA, and Village of Ladd (Docket No. ER25-1986) - Ameren filed the executed WCA between itself, Ladd and IMEA on April 17, 2025. FERC accepted the filing via Letter Order on May 16, 2025.
- Ameren Illinois Filing Regarding WCA between Ameren Illinois Company, IMEA, and City of Breese (Docket No. ER25-1922) - Ameren filed the executed WCA between itself, Breese and IMEA on April 10, 2025. FERC accepted the filing via Letter Order on June 6, 2025.

Fodor reported that as of today's date, FERC has accepted filings on behalf of 6 municipalities, Ameren has filed on behalf of 5 more municipalities that should be accepted by FERC soon and there are 14 municipalities that remain to be completed.

- PJM Filing to Extend Demand Resource Availability Window and Accreditation Methodology (Docket No. ER25-1525) – Filed on March 6, 2025, PJM proposed to redefine Demand Resource (DR) requirements to a 24-hour availability window. PJM also proposed to revise its Winter Peak Load calculation for Demand Resources using PJM-selected winter peak hours. IMEA intervened on March 26, 2025. FERC accepted the revisions via Order on May 5, 2025.
- Constellation Energy Generation, LLC et al. v. PJM Interconnection, LLC (Docket Nos. EL 25-20-000, then EL25-49-000) – In mid-2024, FERC saw several large load co-location filings in the PJM region. Since PJM does not have tariff language addressing front-of-meter generators interconnected to end-use customer load, FERC convened a Technical Conference on November 1, 2024. In response to the lack of guidance from the RTO, Constellation Energy filed a Complaint against PJM on November 22, 2024. FERC initiated a Section 206 proceeding against PJM on February 20, 2025. FERC found PJM's tariff to be unjust, unreasonable, unduly discriminatory or preferential based on Constellation's complaint against PJM alleging that the tariff is absent co-location rules for interconnected generators. IMEA intervened on March 4, 2025; awaiting FERC response to Motions for Stay for Settlement Judge Procedures made by several parties.
- North Carolina Electric Membership Corporation v. PJM Interconnection LLC (Docket No. EL25-79-000) – Filed on May 8, 2025, North Carolina co-ops are challenging PJM's pseudo-tie arrangement because their external resources cleared the 25/26 Auction lower than the clearing

price of where the load will be served. They are requesting FERC to order PJM's current pseudo-tie pricing arrangement as unjust and unreasonable and to price such external resources at the sink and not at rest-of-RTO. IMEA intervened on June 4, 2025; awaiting FERC response.

- PJM Filing to Establish Replacement Generation Interconnection Service (Docket No. ER-25-1128) – Filed on January 31, 2025, PJM proposes to establish a separate generator interconnection process wherein new generators being built can use an existing, deactivated generator's Capacity Interconnection Rights. FERC issued a Deficiency Letter to PJM on March 12, 2025. PJM submitted another Tariff Filing in response to the Deficiency Letter on April 11, 2025; awaiting FERC response.
- ComEd Transmission Rate Update – Posted on May 9, 2025, the ComEd Transmission Revenue Requirement increased 19% due to plant additions, reliability, system performance projects and Accumulated Deferred Income Tax (ADIT) adjustments due to new rules implemented by the IRS in a June 2024 Private Letter Ruling. The 2024 true-up shows actual spending was \$55 million more than projected and peak loads were 4% lower than projected. The IMEA Coincident Peak in the ComEd system decreased 18.5 MW from last year. The total impact on IMEA is projected to be a 15% increase in ComEd transmission rates. The new revenue requirement will be effective June 1, 2025 through May 31, 2026. The ComEd transmission rates will change again in January 2026 when peak loads are adjusted.

## NEW BUSINESS

CEO Gaden discussed the proposed resolution approving Winnetka as the 28<sup>th</sup> IMEA member to extend their relationship with IMEA. He explained that the Board member from Winnetka along with the Village Council have worked hard to answer questions and have hosted workshops and study sessions which resulted in a unanimous vote of approval on June 17<sup>th</sup>. IMEA Staff recommends the approval of this Resolution to be recommended to the full Board tomorrow. Discussion ensued. The Board members from Naperville, St. Charles and Winnetka each reviewed the efforts that had been taken with respect to the new IMEA contracts, some of the issues being faced, and their future plans. Several Board members expressed their concerns on the delays and shared their own efforts to seek and gain approval of the new contract by their governing bodies during the open period.

Resolution #25-06-952 – Accepting and Approving New IMEA Power Sales Contract/Capacity Purchase Agreement with the Village of Winnetka for the Period Beginning October 1, 2035 Through May 31, 2055 – The Village of Winnetka unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their June 17<sup>th</sup> Village Council meeting. Brian Groth moved to recommend the approval of Resolution #25-06-952 to the full Board at tomorrow's Board meeting. The motion was seconded by Larry Taylor and carried by unanimous roll call vote.

Resolution #25-06-953 – Extending Open Period for Members to Accept New Power Sales Contract and New Capacity Purchase Agreement – CEO Gaden explained that since late 2022, IMEA Staff and members have worked to develop new IMEA Power Sales Contracts through May 2055. Members were asked to complete signing those contracts by April 30, 2025 – that date has passed. He stated that at the April Board meeting, IMEA Staff was asked to provide a resolution for the Board to consider making the same terms of the contract available until the August Board meetings. Gaden discussed the terms of proposed Resolution #25-06-953 to include formal approval of new contracts by the local governing bodies prior to the IMEA August Board meetings (August 20-21, 2025) and if not

completed by that date, then the current contract offer will be withdrawn. He explained that IMEA Staff will continue to work with the remaining members to find mutually agreeable terms, however, before any new terms are offered beyond August 21, 2025, the IMEA Board will approve the terms made available to those considering new contracts. Gaden also discussed that the resolution requires a yet to be determined premium on rates and calls for withdrawal or amendment of Section 15 of the Agreement which pertains to a “no adverse distinction” clause. David Coston moved to recommend the approval of Resolution #25-06-953 to the full Board at tomorrow’s Board meeting. The motion was seconded by Bob Coble and passed on a roll call vote of 6 to 2 with the representatives from Chatham and Highland voting in the negative.

Resolution #25-06-954 – Adopting Revisions to Risk Management Policy – General Counsel Troy Fodor reported that IMEA’s current Risk Management Policy was approved by the Board in December of 2024 which implements certain risk management statements and policies to comply with the updated rules of PJM. Since that time, PJM has requested additional changes. He explained that these changes include commitments to compliance with additional federal anti-corruption and anti-money laundering laws; commitment not to speculate in PJM markets and only procure enough resources to meet IMEA’s needs or hedge congestion risk; and elaboration on IMEA governance, including checks and balances, compliance, monitoring, reporting and enforcement thereof. Fodor stated that these recommendations have been incorporated into the revised policy. Fodor stated that upon approval, the new Policy will go into effect on July 1, 2025. Larry Taylor made a motion to adopt the revised IMEA Risk Management Policy as presented. The motion was seconded by Brian Groth and carried by unanimous roll call vote.

Chairman Cook asked for a motion to adjourn the meeting. The motion was made by Pat McCarthy, seconded by Brian Groth and carried unanimously by voice vote. The meeting was adjourned at 4:01 p.m.

Respectfully submitted,

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Secretary/Treasurer

**ILLINOIS MUNICIPAL ELECTRIC AGENCY  
EXECUTIVE BOARD MEETING  
WEDNESDAY, JUNE 25, 2025**

**MEMBERS PRESENT**

Altamont	Larry Taylor
Carmi	David Coston
Chatham	Pat McCarthy
Flora	Bob Coble
Highland	Dan Cook
Naperville	Brian Groth
St. Charles	Peter Suhr
Sullivan	Mike Kirk

**MEMBERS ABSENT**

Marshall	Cory Sheehy
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**OTHERS PRESENT**

Breese	Jason Deering
Freeburg	John Tolan
Waterloo	J.R. Landeck
Winnetka	Nick Narhi
IMEA	Kevin Gaden
IMEA	Troy Fodor
IMEA	Chris Wise
IMEA	Mandy Ripperda
IMEA	Staci Wilson
IMEA	Rakesh Kothakapu
IMEA	Eric Weinant
IMEA	Glenn Cunningham
IMEA	Adam Baker
IMEA	Jaken Hicks
IMEA	Jonathon Wygant
IMEA	Danny Chung
IMEA	Tia Horn
IMEA	Ellen Woehrmann
IMEA	Tammy Hall
Guest	Raheel Arshed (Naperville)
Guest	Giovanni McLean (St. Charles)

**LISTEN ONLY VIA WEBINAR**

Princeton	Jeff Mangrich
Red Bud	Josh Eckart
IMEA	Rodd Whelpley
Guest	Greg Hubert (Naperville)
Guest	Debi Mader (St. Charles)

# **ILLINOIS MUNICIPAL ELECTRIC AGENCY**

## **REPORT OF BOARD OF DIRECTORS MEETING**

**THURSDAY, JUNE 26, 2025**

A regularly scheduled meeting of the Board of Directors of the Illinois Municipal Electric Agency was held in person pursuant to proper notice at the IMEA headquarters building, 3400 Conifer Drive, Springfield, Illinois on June 26, 2025. Chairman Dan Cook called the meeting to order at 10:00 am and all attendees participated in the Pledge of Allegiance. Roll call was taken which showed a quorum was present. Participation in this meeting was available in person only for both members and the general public, however, as an accommodation to members that could not physically attend and the general public, a webinar broadcast of the meeting was made available live in listen-only mode.

Brian Groth, seconded by Cory Sheehy, moved for approval of the minutes of April 24, 2025. The motion carried by unanimous roll call vote.

Opportunity for Public Comment – Chairman Cook stated that pursuant to the Open Meetings Act, any person attending this meeting in person shall be permitted an opportunity to comment. He then asked if anyone from the public would like to make a comment. At that time, Mayor Clint Hull from St. Charles, Illinois expressed his appreciation for the opportunity to consider the extension of the open season to sign the new contract with IMEA until August 19<sup>th</sup> and requested the Board's support of that extension. He gave an overview of the City Council's efforts since becoming Mayor of St. Charles in April, the progress that had been made during that time and a definitive timeline of future meetings to accelerate the City's decision. Chairman Cook proceeded with the meeting.

Treasurer's Report – Chris Wise reported on the April 2025 financials stating that actual member power costs are 2.6% under original budget, year to date, and the MWh sales to members is 1.9% below original budget. He stated that IMEA has finished the last four years lower than the original approved budget. He also stated that the average cost for FY2025 excluding transmission is 5.7% less than it was for FY2014 and that IMEA continues to be consistently under budget on average cost. Wise reported that the May 2025 invoices had been sent out on June 10<sup>th</sup> with the average cost being 0.2% below budget. He also discussed the June 2025 preliminary invoice estimates stating that those invoices would be sent out on July 10<sup>th</sup> and due on July 21<sup>st</sup>.

Wise reported that the Credit Opinion from Moody's was completed on June 17, 2025 and the report was sent to the IMEA Board on June 18, 2025. They affirmed the A1 rating with a stable outlook and commented that IMEA is working to transition to a more diverse power supply while still providing members with economical and reliable power. He also stated that the Credit Opinion from Fitch had been completed on April 29, 2025 and the report was sent to the IMEA Board on April 30, 2025. They affirmed an AA- rating with stable outlook and highlighted IMEA's stable financial performance. There was no update from Standard & Poor's. With there

being no questions, Brian Groth moved to approve the Treasurer's Report, seconded by Jason Deering. The roll call vote showed all in favor.

President & CEO Report – CEO Gaden welcomed Griffin Bollinger as IMEA's new Electric Operations Analyst as of last month. Griffin is a Decatur, Illinois native and recently graduated from Illinois Wesleyan University in Business Administration. He will work with Mandy Ripperda and Sean McCarthy in the Operations area to assist with data analytics as well as load and renewable resource output forecasting.

CEO Gaden reported that the Technical Program Manager position in the Member Services Department has been filled. Hubert Murray from Macon, Illinois will begin his employment on July 16. He worked for DCEO overseeing CEJA grant programs and prior to that managed steam boiler generation plant operations and led energy infrastructure projects. He will assist IMEA in technical electric aspects as well as management of the Safety Training Program and will oversee the new Emergency Equipment Sharing Program if granted and approved. Gaden stated that staff continues to look for one additional safety trainer for the northern part of the state and to please contact Staci Wilson or himself with any potential candidates.

CEO Gaden reported that the Big River Solar project had come online as of June 1 and is now part of IMEA's carbon-free portfolio. IMEA has a 10-year contract for 25MW with an option to extend 15 additional years if load thresholds are met. He also stated that the solar projects are now online in three more IMEA communities and thanked those members for their patience and support in these completions.

Regarding a State update, CEO Gaden reported that retail electric rates for investor-owned customers are higher this month than the previous month due to higher PJM and MISO capacity costs. This will impact short-term, unhedged customers immediately, but IMEA members' rates will have very small increases. He also discussed the recent "Energy Omnibus Bill" that sought for all electric utilities in the state to perform Integrated Resource Planning (IRP). He explained that even though that bill was withdrawn, IMEA seeks to be prepared for future compliance rules. IMEA Staff recommends beginning the process to complete an IRP that would comply with the proposed regulations over the next two years. This process may include hiring additional staff and selecting an outside consultant. Gaden stated that no action is sought today, but staff will provide timelines and future recommendations in upcoming Board meetings.

Regarding a National update, CEO Gaden stated that he and a number of other APPA leaders had met virtually with three of the four current FERC Commissioners independently in May. The topics included transmission cost increases, resource adequacy, demand response and gas/electric integration. He also reported that President Trump had nominated DC lawyer, Laura Swett, and upon Senate approval of that nomination, Chair Christie will step down. Gaden then discussed the potential reduction or repeal of Inflation Reduction Act subsidies to renewable energy projects and how this will impact present and future process of adding renewable to the grid nationwide along with the cost of power supply and transmission.

Legislative & Regulatory Update – Wilson reported that there had been multiple amendments filed in the Energy Omnibus legislation during the last days of the Spring Session, however, the

bill was not voted on. She explained that the final amendment had removed some controversial requirements such as requiring new large load/data centers to “bring their own clean generation” and that large energy users remained opposed citing significant costs of the legislation. Wilson stated that this legislation includes muni/coop Integrated Resource Planning (IRP) every 5 years along with a state-wide IRP for other utility customers every 4 years. This IRP work for the investor-owned customers will be conducted by the Illinois Commerce Commission (ICC), the Illinois Power Agency (IPA), the Illinois Environmental Protection Agency (IEPA) and the Illinois Finance Authority (IFA). That IRP will then be brought before the ICC. She stated that there is a Battery Storage Energy Portfolio Standard to incentivize 6GW utility-scale energy storage and increased energy efficiency requirements for ComEd and Ameren. She reported that this legislation ends the moratorium on large nuclear power and approves an ICC study to transition the state to a single-state operated Independent System Operation instead of the current PJM/MISO framework. Regarding muni/coop net metering for 25KW small commercial and residential customers, the proposed bill prohibits the imposition of the customers’ insurance policy to name a municipal system as an additional insured or to have any minimum liability requirement. Wilson thanked the members that were involved in discussions during this process. She anticipates energy omnibus discussions to continue into the fall veto session.

## **OLD BUSINESS**

Operations – Regarding PJM, Mandy Ripperda reported that the 2026/27 Base Residual Auction starts July 9<sup>th</sup> and the 2027/28 Base Residual Auction will be held in December. She stated that PJM had agreed to put a price cap/floor in place for the next two Base Residual Auctions. The cap is ≈\$325/MW-day, the floor is ≈\$175/MW-day as compared to the auction clearing price of ≈\$270/MW-day for the current delivery year. Ripperda reported that the 2025/26 Delivery Year started on June 1<sup>st</sup>. She reminded members that the Base Residual Auction cleared at \$269.92/MW-day for the 25/26 Delivery Year as compared to \$28.92/MW-day for Delivery Year 24/25 and the Third Incremental Auction for this Delivery Year was \$323.90/MW-day compared to \$58.00/MW-day last year. She explained that these higher costs will soon be felt by PJM/ComEd customers, however, IMEA was well hedged resulting in minimal impacts.

Regarding MISO, Ripperda reported that the MISO Planning Year also started on June 1<sup>st</sup> and reviewed the 2025/26 Auction Clearing Prices for Summer 2025, Fall 2025, Winter 25/26 and Spring 2026 for Zone 4. She reported that these higher costs will soon be felt by MISO/Ameren customers, however, IMEA was well hedged resulting in minimal impacts. Ripperda presented charts showing historical MISO auction results from 2022-23 through 2024-25 reflecting a 3x increase.

Ripperda reviewed highlights from the NERC Summer Reliability Assessment citing higher demand and less dispatchable resources, load growth and aging generation facilities are presenting challenges. She reviewed the details from the blackout in New Orleans on May 25<sup>th</sup>, the Sunday of Memorial Day weekend noting that MISO had issued its load-shedding directive with only 3 minutes of notice. Ripperda reminded members to review emergency plans for a load curtailment request or a total system outage and to contact Jon Wygant if they were unable to attend IMEA’s Emergency Preparedness webinars in May and would like the information presented. She stated that URGE testing had begun at the beginning of June. PJM had called for

a Demand Response test on June 17<sup>th</sup> and both generating members had successful 2-hour runs with no reported issues. IMEA had planned to call a test event this summer for MISO generating members, although all those same generators were called on during the heat wave earlier this week, so that test event is cancelled. Ripperda also reminded members to provide input for their municipality by August 15<sup>th</sup> regarding annual forecasting or Distributed Energy Resources for planning purposes.

Update on Demand Response Program – Jon Wygant provided an update on the Demand Response Program in light of the increases in recent MISO & PJM capacity auction results. Wygant reminded the Board that there are two paths to utilizing the IMEA Demand Response Program and that while the ability to bid directly into the auction has passed for current planning years, IMEA Staff would like to work with interested customers to achieve enrollment in the program. Wygant further explained that this update is to encourage commercial, industrial or governmental end-use customers to enroll in IMEA's Load Management Initiatives as a cost saving tool for the customer.

Wygant also stated the previously approved prices of \$6.15/kW-Month for customers in the PJM RTO and \$4.26/kW-Month in the summer with \$2.28/kW-Month in the spring for those customers in the MISO RTO. These prices will be updated in December. Wygant requested that the members pass this information onto their commercial, industrial or governmental customers and to contact him if they would like more information.

Trimble County (TC): Rakesh Kothakapu reported the following:

- There have not been any reportable safety incidents at the plant, however, there were 3 minor incidents involving contractors. Plant staff is working with the management staff of the contractors regarding training and safety efforts. The plant performance through May 2025 shows the EAF was  $\approx 80.06\%$  and the EFOR was  $\approx 2.27\%$ , both year to date. Unit 1 came back online in May from a 20-day planned maintenance outage and there was a maintenance outage due to a tube leak last week. Unit 2 had a 30-day planned maintenance outage from April through mid-May. Both units are currently available for full load. TC Staff continues to work towards the power plant stack refurbishment. The engineering design details are expected to be completed this summer. The TC1 stack liner construction is scheduled for Spring of 2026 and TC2 stack liner construction scheduled for spring of 2027.

Prairie State (PSGC): Rakesh Kothakapu reported the following:

- There have not been any reportable safety incidents. Plant performance through May 2025 shows that the EAF was  $\approx 91.6\%$  and the EFOR was  $\approx 7.3\%$ , both year to date. Unit 1 had a 4-day outage due to a boiler tube leak in May. Unit 2 had a 2-day outage at the beginning of June due to a leak in the primary reheat section of the boiler. Both units are currently available for full load, although Unit 2 was unavailable early in the week. PSGC staff is working on a project that will allow the facility to sell drywall grade gypsum which creates additional revenue. Switchgear and filter equipment for the project will arrive this summer and the project should be online in the fall.

Local Transmission and Generation – Rakesh Kothakapu reported on the following:

- MISO Load Modifying Resources (LMR) Rules – MISO made this filing in early April 2025 proposing to change the accreditation calculations using new methodology which will begin the summer of 2027 in preparation for the 2028-29 auction. This filing includes significant changes to Demand Response in MISO. IMEA filed a limited protest in May 2025 and submitted comments. Ameren’s study will allow IMEA to optimize accreditation of IMEA resources. Awaiting an Order from FERC.
- Wholesale Connection Agreement (WCA) – FERC has approved several WCAs and Ameren is in the process of issuing drafts for members with multiple delivery points. IMEA Staff got waivers on load forecasting by delivery point for several members and discussed load forecast provision with three members with multiple delivery points. Ameren wants load forecasting by delivery point and not by total load for them. The next step is to work on members that take deliveries at 138kV.
- Carmi Unit #12 – Carmi was able to restart Unit 12 and is making adjustments and likely upgrades to bring the unit back online. This would require IMEA Board approval to bring the unit back as a dedicated resource to the Agency at some later point.
- IMEA – Flora Switchgear and Generator Control Upgrade – Due to the age of the switchgear and generator controls, there is a concern regarding equipment failure. IMEA is working with consultant to work on a proposal to make the necessary upgrades. The City of Flora is also looking into upgrading their switchgear and controls. IMEA Staff met with Flora and consultant to discuss and coordinate future upgrade. Funds to upgrade these units are in the FY25/26 budget.
- Fairfield Delivery Point – IMEA Staff had a meeting with Fairfield and Hoosier Electric to discuss the change of delivery point from 138kV to 69kV, new backup line and about terminating the existing SIPC backup agreement. Changing delivery points is subject to MISO approval and Ameren’s WDS charges. The SIPC agreement requires a two-year cancellation notice from each party. Staff is waiting for Hoosier to formalize the plan on the changes to this delivery point.

Status Update on Transmission Auction Revenue Rights (ARRs) – Manager of Energy Markets and Settlements, Charlie Robling reported on PJM’s and MISO’s Auction Revenue Rights (ARR) allocation highlights. He explained that ARR are credits given to long-term network and Point-to-Point customers to compensate for a share of the congestion. The value of ARR is derived from the Financial Transmission Rights (FTR) auction. Regarding PJM, the ARR allocation levels in the ComEd zone were higher compared to last year. He reported that due to higher clearing prices in the FTR auction and higher allocation levels, revenue increased by \$500,000 from last year. Regarding MISO, Robling reported that the revenue from the ARR allocations was up nearly \$700,000 from last year. He stated that between PJM and MISO, IMEA’s ARR valuation increased by \$1.2 million from last year. IMEA Staff will continue to monitor these assets and optimize the value of these rights in future auctions.

Update on Possible Opportunity for IMEA Becoming a Joint Owner of Transmission Facilities – CEO Gaden reviewed the topics discussed in the March IMEA Transmission Committee meeting to include transmission ownership logistics, process steps, rate setting methods as well as strategy to allow IMEA to become a transmission owner in the coming year. He stated that

IMEA Staff has worked with Bond Counsel and others to ensure revenue streams from transmission and power supply are separate for future bond issuance clarity. Gaden reported that IMEA Staff is beginning to work with ATXI to negotiate terms of a joint ownership agreement for the Princeton/Peru 138kV line for Board consideration at the August Board meeting. IMEA Staff, Peru and Princeton staffs along with ATXI have been reviewing the development process, siting criteria and regulatory logistics to ensure timely completion of the project to meet MISO timelines. He stated that this 138kV project is forecasted to be online in 2028-29 and the current plan is to require IMEA funds just 6-9 months before commercial operations. Gaden also discussed a large potential MISO opportunity projected to be online 2032-2033 after the primary scope of the Princeton/Peru 138kV agreement is in place.

Update on Solar Projects – Eric Weinant reported that the Commercial Operation Date has been finalized for all three solar projects and all punch list items have been completed. He stated that dedication ceremonies have been held for Oglesby and Princeton while Marshall's dedication ceremony will be held in a couple of weeks.

Regarding the USDA Pace loans being sought by SolAmerica to develop Illinois solar projects, Weinant reported that the USDA is releasing funds after an initial pause from the new administration, although no formal word from SolAmerica that the project funds are forthcoming has been received. He explained that proposed legislation and possible tariffs are creating uncertainty. These projects would be grandfathered for tax credits under current proposals, but could reduce over time. SolAmerica is working on environmental reviews and the USDA loan documents.

Weinant stated that the IMEA Board has already approved the authorization of Power Purchase Agreements (PPAs) for Highland, Metropolis and Carmi in August 2024 for nearly 11 MW. Weinant then reported that the Interconnection Study for a 2.25 MW project in Chatham has been completed. IMEA Staff will ask for authorization from the Board if the remaining hurdles are met.

Update on Legal Matters – General Counsel Troy Fodor reported on the following matters:

- Department of Energy (DOE) declared Energy Emergencies in MISO and PJM regions Stemming from Executive Order 14262 – DOE Order 202-25-3, issued on May 23, 2025, directed MISO and Consumers Energy to keep J.H. Campbell power plant in Michigan running until August 21, 2025. DOE Order 202-25-4, issued on May 30, 2025 directed PJM and Constellation Energy to keep Eddystone Generating Station Units 3 and 4 in Pennsylvania running until August 28, 2025. Both generators had May 31, 2025 retirement dates. The cost impact of keeping Eddystone Units 3 and 4 online is being discussed in PJM stakeholder proceedings. The initial PJM proposal is to allocate costs as capacity costs due to the DOE Order being based in Resource Adequacy using monthly UCAP obligation ratio share. IMEA's impact would be approximately \$5,000/month for those three months. The final proposal to be filed with FERC by PJM. Regarding the J.H. Campbell plant, Consumer Energy has filed a Complaint against MISO at FERC seeking compensation for continuing to run the plant.

- Environmental Protection Agency (EPA) Proposed to Repeal All Greenhouse Gas Standards for Fossil Fuel-Fired Power Plants - On June 11, 2025, the EPA filed its proposal to repeal all greenhouse gas standards for fossil fuel-fired power plants. As of June 17, 2025, the proposed rule was published in the Federal Register and comments are due on August 7, 2025.
- Public Citizen, Inc. et al. v. Midcontinent Independent System Operator, Inc. et al. (Docket No. EL 15-70-003 et al.) – This case involves the allegations against Dynegy’s alleged market manipulation in MISO’s 2015/2016 auction results for Zone 4. An Agreement in principle was reached on May 15, 2025 by the impacted parties. The settlement documents are being prepared.
- MISO Filing to Revise Tariff for Expedited Resource Addition Study Process (Docket No. ER25-1674, then ER25-2454) – Filed on March 17, 2025, MISO proposed to fast-track eligible generators in a separate, temporary interconnection process on a “first-come first-served basis. This filing is similar to PJM’s Reliability Resource Initiative filing that was approved by FERC on February 11, 2025. IMEA intervened on March 24, 2025. FERC rejected the filing via Order on May 16, 2025, citing an absence of a limit to how many projects can enter an expedited process and how the proposal will address reliability and resource adequacy concerns. MISO re-filed a revised version of the proposal on June 6, 2025.
- Voltus, Inc. v. Midcontinent Independent System Operator, Inc. (Docket No. EL25-52-000) – On January 24, 2025, Voltus filed a complaint against MISO alleging that MISO’s LMR testing clarifications made its Demand Resources (DR) ineligible for the PY25/26 auction. Voltus is requesting FERC to direct MISO to revert to its pre-clarification DR requirements. MISO filed a Motion to Dismiss Voltus’ complaint on February 13, 2025; still awaiting FERC response. IMEA Staff is monitoring the case for impacts on MISO demand response rules.
- MISO Filing to Revise Demand Response Participation Rules (Docket No. ER25-1729) – Filed on March 21, 2025, MISO proposed to add availability and control requirements for demand and energy storage resources for Planning Resource Auction participation. IMEA intervened on April 2, 2025. Only one protest came from Voltus on April 11, 2025; still awaiting FERC response to filing.
- MISO Filing to Revise Tariff to Implement Demand Response and Emergency Resource Reforms (Docket No. ER25-1886) – Filed on April 4, 2025, MISO proposed to accredit Demand Response and Emergency Resources based on availability during emergencies. Because Load Modifying Resources (LMRs) are included in this proposal, IMEA’s use of the members’ BTMG to meet Load Serving Entity obligations will be affected. IMEA intervened and filed its protest on May 5, 2025. MISO filing was heavily protested by other LSEs and industrial load/LMR owners; still awaiting FERC response on filing.
- Ameren Illinois Filing Regarding WCA between Ameren Illinois Company, IMEA, and City of Sullivan (Docket No. ER25-2458) - Ameren filed the executed WCA between itself, Sullivan and IMEA on June 9, 2025.
- Ameren Illinois Filing Regarding WCA between Ameren Illinois Company, IMEA, and City of Carlyle (Docket No. ER25-2366) - Ameren filed the executed WCA between itself, Carlyle and IMEA on May 30, 2025.

- Ameren Illinois Filing Regarding WCA between Ameren Illinois Company, IMEA, and City of Roodhouse (Docket No. ER25-2367) - Ameren filed the executed WCA between itself, Roodhouse and IMEA on May 30, 2025.
- Ameren Illinois Filing Regarding WCA between Ameren Illinois Company, IMEA, and City of Bushnell (Docket No. ER25-2340) - Ameren filed the executed WCA between itself, Bushnell and IMEA on May 29, 2025.
- Ameren Illinois Filing Regarding WCA between Ameren Illinois Company, IMEA, and City of Waterloo (Docket No. ER25-2338) - Ameren filed the executed WCA between itself, Waterloo and IMEA on May 29, 2025.
- Ameren Illinois Filing Regarding WCA between Ameren Illinois Company, IMEA, and Village of Ladd (Docket No. ER25-1986) - Ameren filed the executed WCA between itself, Ladd and IMEA on April 17, 2025. FERC accepted the filing via Letter Order on May 16, 2025.
- Ameren Illinois Filing Regarding WCA between Ameren Illinois Company, IMEA, and City of Breese (Docket No. ER25-1922) - Ameren filed the executed WCA between itself, Breese and IMEA on April 10, 2025. FERC accepted the filing via Letter Order on June 6, 2025.

Fodor reported that as of today's date, FERC has accepted filings on behalf of 6 municipalities, Ameren has filed on behalf of 5 more municipalities that should be accepted by FERC soon and there are 14 municipalities that remain to be completed.

- PJM Filing to Extend Demand Resource Availability Window and Accreditation Methodology (Docket No. ER25-1525) – Filed on March 6, 2025, PJM proposed to redefine Demand Resource (DR) requirements to a 24-hour availability window. PJM also proposed to revise its Winter Peak Load calculation for Demand Resources using PJM-selected winter peak hours. IMEA intervened on March 26, 2025. FERC accepted the revisions via Order on May 5, 2025.
- Constellation Energy Generation, LLC et al. v. PJM Interconnection, LLC (Docket Nos. EL 25-20-000, then EL25-49-000) – In mid-2024, FERC saw several large load co-location filings in the PJM region. Since PJM does not have tariff language addressing front-of-meter generators interconnected to end-use customer load, FERC convened a Technical Conference on November 1, 2024. In response to the lack of guidance from the RTO, Constellation Energy filed a Complaint against PJM on November 22, 2024. FERC initiated a Section 206 proceeding against PJM on February 20, 2025. FERC found PJM's tariff to be unjust, unreasonable, unduly discriminatory or preferential based on Constellation's complaint against PJM alleging that the tariff is absent co-location rules for interconnected generators. IMEA intervened on March 4, 2025; awaiting FERC response to Motions for Stay for Settlement Judge Procedures made by several parties.
- North Carolina Electric Membership Corporation v. PJM Interconnection LLC (Docket No. EL25-79-000) – Filed on May 8, 2025, North Carolina co-ops are challenging PJM's pseudo-tie arrangement because their external resources cleared the 25/26 Auction lower than the clearing price of where the load will be served. They are requesting FERC to order PJM's current pseudo-tie pricing arrangement as unjust and unreasonable and to price such external resources at the sink and not at rest-of-RTO. IMEA intervened on June 4, 2025; awaiting FERC response.

- PJM Filing to Establish Replacement Generation Interconnection Service (Docket No. ER-25-1128) – Filed on January 31, 2025, PJM proposes to establish a separate generator interconnection process wherein new generators being built can use an existing, deactivated generator's Capacity Interconnection Rights. FERC issued a Deficiency Letter to PJM on March 12, 2025. PJM submitted another Tariff Filing in response to the Deficiency Letter on April 11, 2025; awaiting FERC response.
- ComEd Transmission Rate Update – Posted on May 9, 2025, the ComEd Transmission Revenue Requirement increased 19% due to plant additions, reliability, system performance projects and Accumulated Deferred Income Tax (ADIT) adjustments due to new rules implemented by the IRS in a June 2024 Private Letter Ruling. The 2024 true-up shows actual spending was \$55 million more than projected and peak loads were 4% lower than projected. The IMEA Coincident Peak in the ComEd system decreased 18.5 MW from last year. The total impact on IMEA is projected to be a 15% increase in ComEd transmission rates. The new revenue requirement will be effective June 1, 2025 through May 31, 2026. The ComEd transmission rates will change again in January 2026 when peak loads are adjusted.

## NEW BUSINESS

Cody Hawkins moved to defer consideration of Resolution #25-06-952 – Accepting and Approving New IMEA Power Sales Contract/Capacity Purchase Agreement with the Village of Winnetka for the Period Beginning October 1, 2035 Through May 31, 2055 until after consideration of the second item in New Business which would place Resolution #25-06-953 – Extending Open Period for Members to Accept New Power Sales Contract and New Capacity Purchase Agreement as the first item in New Business. The motion was seconded by Jim Mileham, but did not pass on a roll call vote of 8 to 15 with the representative from Altamont abstaining.

CEO Gaden discussed the proposed resolution approving Winnetka as the 28<sup>th</sup> IMEA member to extend their relationship with IMEA. He explained that the Board member from Winnetka along with the Village Council have worked hard to answer questions and have hosted workshops and study sessions which resulted in a unanimous vote of approval on June 17<sup>th</sup>. IMEA Staff recommends the approval of this Resolution to be recommended to the full Board tomorrow. A number of members expressed their concerns on the delays and shared their own efforts to seek and gain approval of the new contract by their governing bodies during the open period. Other Board members expressed support.

Resolution #25-06-952 – Accepting and Approving New IMEA Power Sales Contract/Capacity Purchase Agreement with the Village of Winnetka for the Period Beginning October 1, 2035 Through May 31, 2055 – The Village of Winnetka unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their June 17<sup>th</sup> Village Council meeting. Larry Taylor moved to approve Resolution #25-06-952. The motion was seconded by Pat Barry and passed on a weighted roll call vote of 20 to 2 with the representatives from Freeburg and Mascoutah voting in the negative and the representatives from Riverton and Winnetka abstaining.

Resolution #25-06-953 – Extending Open Period for Members to Accept New Power Sales Contract and New Capacity Purchase Agreement – CEO Gaden explained that since late 2022, IMEA Staff and members have worked to develop new IMEA Power Sales Contracts through May 2025. Members were asked to complete signing those contracts by April 30, 2025 – that date has passed. He stated that at the April Board meeting, IMEA Staff was asked to provide a resolution for the Board to consider making the same terms of the contract available until the August Board meetings. Gaden discussed the terms of proposed Resolution #25-06-953 to include formal approval of new contracts by the local governing bodies prior to the IMEA August Board meetings (August 20-21, 2025) and if not completed by that date, then the current contract offer will be withdrawn. He explained that IMEA Staff will continue to work with the remaining members to find mutually agreeable terms, however, before any new terms are offered beyond August 21, 2025, the IMEA Board will approve the terms made available to those considering new contracts. Gaden also discussed that the resolution requires a yet to be determined premium on rates and calls for withdrawal or amendment of Section 15 of the Agreement which pertains to a “no adverse distinction” clause. Pat Barry moved to approve Resolution #25-06-953. The motion was seconded by Larry Hanrahan and passed on a weighted roll call vote of 20 to 4 with the representatives from Breese, Freeburg, Highland and Mascoutah voting in the negative.

Resolution #25-06-954 – Adopting Revisions to Risk Management Policy – General Counsel Troy Fodor reported that IMEA’s current Risk Management Policy was approved by the Board in December of 2024 which implements certain risk management statements and policies to comply with the updated rules of PJM. Since that time, PJM has requested additional changes. He explained that these changes include commitments to compliance with additional federal anti-corruption and anti-money laundering laws; commitment not to speculate in PJM markets and only procure enough resources to meet IMEA’s needs or hedge congestion risk; and elaboration on IMEA governance, including checks and balances, compliance, monitoring, reporting and enforcement thereof. Fodor stated that the recommendations incorporated into the revised policy include the President & CEO’s role as a check on IMEA employees along with his responsibility to the Board of Directors; what IMEA’s Electric Operations Department can and cannot do in RTO markets; consequences of employee misconduct and compliance monitoring and reporting language. Fodor stated that upon approval, the new Policy will go into effect on July 1, 2025. Pat McCarthy made a motion to adopt the revised IMEA Risk Management Policy as presented. The motion was seconded by David Coston and carried by unanimous roll call vote.

Chairman Dan Cook asked for a motion to adjourn the meeting. The motion was made by Bob Coble, seconded by J.R. Landeck and carried unanimously by voice vote. The meeting was adjourned at 12:33 p.m.

Respectfully submitted,

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Secretary/Treasurer

**ILLINOIS MUNICIPAL ELECTRIC AGENCY  
BOARD OF DIRECTORS  
THURSDAY, JUNE 26, 2025**

**MEMBERS PRESENT**

Altamont	Larry Taylor
Bethany	Shannon Risley
Breese	Jason Deering
Bushnell	Joe Fosdyck
Cairo	Mayor Thomas Simpson
Carmi	David Coston
Chatham	Patrick McCarthy
Flora	Bob Coble
Freeburg	John Tolan
Highland	Dan Cook
Ladd	Pat Barry
Marshall	Cory Sheehy
Mascoutah	Cody Hawkins
Peru	Kevin Minnick
Naperville	Brian Groth
Princeton	Jeff Mangrich
Red Bud	Josh Eckart
Riverton	Jim Mileham
Rock Falls	Larry Hanrahan
Roodhouse	Rich Wallis
St. Charles	Peter Suhr
Sullivan	Mike Kirk
Waterloo	J.R. Landeck
Winnetka	Nick Narhi

**MEMBERS ABSENT**

Carlyle	Brad Myers
Casey	Shelby Biggs
Fairfield	Mayor Gary Moore
Farmer City	Adam Turpen
Greenup	Mike Ryder
Metropolis	Michael Gentry
Oglesby	Rich Baldrige
Rantoul	Jake McCoy

**OTHERS PRESENT**

IMEA	Kevin Gaden
IMEA	Troy Fodor
IMEA	Chris Wise
IMEA	Mandy Ripperda
IMEA	Staci Wilson
IMEA	Eric Weinant
IMEA	Rakesh Kothakapu
IMEA	Glenn Cunningham
IMEA	Adam Baker
IMEA	Jaken Hicks
IMEA	Danny Chung
IMEA	Jonathon Wygant
IMEA	Charlie Robling
IMEA	Tia Horn
IMEA	Rodd Whelpley
IMEA	Tammy Hall
IMEA	Ellen Woehrmann
IMEA	Griffin Bollinger
Guest	Mayor Clint Hull (St. Charles)
Guest	Giovanni McLean (St. Charles)
Guest	Raheel Arshed (Naperville)
Guest	Matt Trout (Freeburg)

**LISTEN ONLY VIA WEBINAR**

Casey	Shelby Biggs
IMEA	Shadi Ahanchi
IMEA	Katherine Parrish
Guest	Greg Hubert (Naperville)
Guest	Debi Mader (St. Charles)

**RESOLUTION ACCEPTING AND APPROVING NEW  
POWER SALES CONTRACT FOR THE PERIOD OCTOBER 1, 2035  
THROUGH MAY 31, 2055 WITH THE CITY OF CAIRO AND  
CAIRO PUBLIC UTILITY COMPANY**

WHEREAS, the Illinois Municipal Electric Agency (“IMEA”) is organized under the Illinois Joint Municipal Electric Power Act, 65 ILCS 5/11-119.1-1 *et seq.* (the “Act”) as a municipal power agency, and it provides electric power and energy and related services to its member municipalities that own and operate their own municipal electric utility systems; and

WHEREAS, the Board of Directors has previously approved, and IMEA has heretofore entered into long-term Power Sales Contracts, as amended, with each of its thirty-two member municipalities (“Participating Members”) to provide the full requirements of their respective electric systems through September 30, 2035, and Capacity Purchase Agreements, as amended, with each of its Participating Members that owns and operates behind the meter generating resources pursuant to which such Participating Members have dedicated such generating resources to IMEA’s control and use through September 30, 2035; and

WHEREAS, by Resolution 24-02-896, the Board of Directors approved the terms and conditions in and the form of a new Power Sales Contract and new Capacity Purchase Agreement for the period October 1, 2035 through May 31, 2055, and authorizes the President & CEO to offer each Participating Member a contract for the supply of power and energy and a companion agreement to each such Participating Member that owns and operates behind the meter generating resources for the dedication thereof to IMEA in connection with the supply of power and energy substantially in the form thereof; and

WHEREAS, IMEA has tendered such new Power Sales Contracts and Capacity Purchase Agreements to the Members, and the City of Cairo and Cairo Public Utility Company have accepted, approved, and fully executed the new Power Sales Contract, and agreed to be bound by the terms and conditions thereof; the new Power Sales Contract executed by the City of Cairo and Cairo Public Utility Company is in substantially the same form as approved in Resolution 24-02-896; and

WHEREAS, it is appropriate at this time for the Board of Directors to accept and approve the new Power Sales Contract with the City of Cairo and Cairo Public Utility Company.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ILLINOIS MUNICIPAL ELECTRIC AGENCY:

Section 1. The Board of Directors of the Illinois Municipal Electric Agency hereby accepts and approves the new Power Sales Contract executed by the City of Cairo and Cairo Public Utility Company for the period October 1, 2035 through May 31, 2055.

Section 2. The Board of Directors of the Illinois Municipal Electric Agency hereby authorizes the President & CEO of IMEA to execute the new Power Sales Contract executed by the City of Cairo and Cairo Public Utility Company.

Section 3. The Board of Directors of the Illinois Municipal Electric Agency hereby authorizes the President & CEO to take all steps and execute any and all documents and agreements reasonably necessary or appropriate to implement and administer the new Power Sales Contract approved hereby.

Section 4. This Resolution shall take effect immediately upon its passage.

ADOPTED: \_\_\_\_\_, 2025

SIGNED: \_\_\_\_\_, 2025

BY: \_\_\_\_\_  
Chairman

ATTEST: \_\_\_\_\_  
Secretary/Treasurer

**RESOLUTION ACCEPTING AND APPROVING NEW  
POWER SALES CONTRACT FOR THE PERIOD OCTOBER 1, 2035  
THROUGH MAY 31, 2055 WITH THE CITY OF NAPERVILLE**

WHEREAS, the Illinois Municipal Electric Agency (“IMEA”) is organized under the Illinois Joint Municipal Electric Power Act, 65 ILCS 5/11-119.1-1 *et seq.* (the “Act”) as a municipal power agency, and it provides electric power and energy and related services to its member municipalities that own and operate their own municipal electric utility systems; and

WHEREAS, the Board of Directors has previously approved, and IMEA has heretofore entered into long-term Power Sales Contracts, as amended, with each of its thirty-two member municipalities (“Participating Members”) to provide the full requirements of their respective electric systems through September 30, 2035, and Capacity Purchase Agreements, as amended, with each of its Participating Members that owns and operates behind the meter generating resources pursuant to which such Participating Members have dedicated such generating resources to IMEA’s control and use through September 30, 2035; and

WHEREAS, by Resolution 24-02-896, the Board of Directors approved the terms and conditions in and the form of a new Power Sales Contract and new Capacity Purchase Agreement for the period October 1, 2035 through May 31, 2055, and authorizes the President & CEO to offer each Participating Member a contract for the supply of power and energy and a companion agreement to each such Participating Member that owns and operates behind the meter generating resources for the dedication thereof to IMEA in connection with the supply of power and energy substantially in the form thereof; and

WHEREAS, IMEA has tendered such new Power Sales Contracts and Capacity Purchase Agreements to the Members, and the City of Naperville has accepted, approved, and fully executed the new Power Sales Contract, and agreed to be bound by the terms and conditions thereof; the new Power Sales Contract executed by the City of Naperville is in substantially the same form as approved in Resolution 24-02-896; and

WHEREAS, it is appropriate at this time for the Board of Directors to accept and approve the new Power Sales Contract with the City of Naperville.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ILLINOIS MUNICIPAL ELECTRIC AGENCY:

Section 1. The Board of Directors of the Illinois Municipal Electric Agency hereby accepts and approves the new Power Sales Contract executed by the City of Naperville for the period October 1, 2035 through May 31, 2055.

Section 2. The Board of Directors of the Illinois Municipal Electric Agency hereby authorizes the President & CEO of IMEA to execute the new Power Sales Contract executed by the City of Naperville.

Section 3. The Board of Directors of the Illinois Municipal Electric Agency hereby authorizes the President & CEO to take all steps and execute any and all documents and agreements reasonably necessary or appropriate to implement and administer the new Power Sales Contract approved hereby.

Section 4. This Resolution shall take effect immediately upon its passage.

ADOPTED: \_\_\_\_\_, 2025

SIGNED: \_\_\_\_\_, 2025

BY: \_\_\_\_\_  
Chairman

ATTEST: \_\_\_\_\_  
Secretary/Treasurer

**RESOLUTION APPROVING LIMITED VARIANCE  
FOR THE VILLAGE OF WINNETKA REGARDING THE  
SMALL RENEWABLE GENERATION RESOURCE POLICY**

WHEREAS, the Illinois Municipal Electric Agency (“IMEA” or “Agency”) has heretofore entered into long-term Power Sales Contracts with all of its Member municipalities pursuant to which IMEA has agreed to provide and sell and the Member has agreed to take and pay for all of the electric power and energy required for the operation of the Member’s electric utility and utilized in the operation of its municipal electric system; and

WHEREAS, in furtherance of its obligation under the Power Sales Contracts, the Agency plans for and takes all necessary steps to meet the long term power and energy needs of the Members; the Agency has assembled a portfolio of capacity and energy resources consisting of ownership of generation resources, contract purchases, member-owned generation dedicated to the Agency, and purchases of capacity and energy from the day-ahead and real-time markets maintained by the regional transmission organizations in the State; and

WHEREAS, the Board of Directors of IMEA has previously approved and adopted, by Resolution 09-04-690, the IMEA Small Renewable Generation Resource Policy which established a de minimis exception to the full requirements obligation under the Power Sales Contracts with respect to the self-supply by Members of a limited amount of municipal, end-use load from renewable generation resources; said Policy was effective May 1, 2009; and

WHEREAS, the Policy allows a Member to install qualifying renewable generation up to an aggregate total of 150 kW of nameplate capability and to use the output therefrom to offset portions of the Member’s end-use electric consumption; the renewable generating resource must be directly connected to the municipally-owned and operated structure(s) that will use the electricity to be generated by the resource; and the resource must not be of a size intended to exceed the anticipated electric load of the municipally-owned and operated structure to which it is to be directly connected; and

WHEREAS, in 2023 the Village of Winnetka installed Village-owned renewable generation consisting of a 10 kW<sub>AC</sub> photovoltaic facility that is directly connected to one of the buildings at the Village’s municipal public works facility known as the “Village Yards,” and the Village is requesting to install approximately 265 kW of additional Village-owned solar generating capability on additional buildings at the same municipal public works facility; if a waiver is granted, installation and commissioning is anticipated in 2026; and

WHEREAS, IMEA Staff has recommended that the Board of Directors approve a limited variance of the maximum aggregate kilowatt limit under the Policy for Winnetka up to a total aggregate nameplate rating of 275 kW; and

WHEREAS, it is reasonable and appropriate to approve a variance of the maximum aggregate kilowatt limit under the Policy at this time as opposed to reopening and revising the Policy as a whole given the limited nature of the request; a similar waiver was granted to the City of Naperville in 2022, and that waiver is still active; Winnetka and Naperville are the only

Members that have reached the maximum 150 kW limit or indicated an expectation to do so; and the amount of the requested variance is reasonable in relation to Winnetka's size due to its comparatively large peak load in relation to most other Member municipalities.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ILLINOIS MUNICIPAL ELECTRIC AGENCY:

Section 1. The Board of Directors of the Illinois Municipal Electric Agency hereby finds and determines that it is it is reasonable and appropriate to approve and hereby grants and approves a variance of the maximum aggregate kilowatt limit of Village-owned renewable generation that may be installed under the IMEA Small Renewable Generation Resource Policy up to a total aggregate nameplate rating of 275 kW for the Village of Winnetka. Winnetka shall fully comply with the requirements of the IMEA Small Renewable Generation Resource Policy and the Power Sales Contract in all other respects in connection with the installation of any Village-owned renewable generation facilities.

Section 2. The Board of Directors of the Illinois Municipal Electric Agency hereby authorizes and empowers the President & CEO to continue to administer the Small Renewable Generation Resource Policy, subject to the variance granted herein, and the variance previously granted to Naperville, and to execute any and all documents reasonably necessary or required in connection with such administration. The execution by the President & CEO of all such documents is hereby approved, ratified and confirmed.

Section 3. This resolution shall take effect immediately upon its passage.

ADOPTED: \_\_\_\_\_, 2025      SIGNED: \_\_\_\_\_, 2025

BY: \_\_\_\_\_  
Chairman

ATTEST: \_\_\_\_\_  
Secretary/Treasurer



Village of  
**WINNETKA, IL**

510 Green Bay Road • Winnetka, IL 60093 • 847.501.6000  
contactus@villageofwinnetka.org • **villageofwinnetka.org**

**Office of the Water & Electric Department**  
(847) 716-3558

August 6, 2025

Attn: Mr. Kevin Gaden  
President & CEO  
Illinois Municipal Electric Agency  
3400 Conifer Drive  
Springfield, IL 62711

Re: Winnetka Small Renewable Generation Waiver Request

Kevin,

In pursuit of meeting its sustainability goals at the local level, the Village of Winnetka plans to install approximately 275 KW AC total of municipally owned rooftop solar capacity at its municipal facility known as the 'Village Yards.' Current timeline calls for major installation and commissioning in calendar year 2026.

The Village currently owns and maintains a 10 KW array at the Village Yards, which was installed and commissioned in 2023. Our request is for an additional 265 KW of solar capacity to cover rooftops at our facility. The potential location of these arrays and their estimated energy output are shown in an attachment to the memo. The Village desires to keep the existing 10 KW array in service and either incorporate it into the design or relocate its capacity to another municipal building.

The Village is aware that the Small Renewable Generation Resource Policy currently has a cap of 150 KW for IMEA Member communities. The Village also acknowledges that this matter was considered in 2022 when the City of Naperville requested permission to raise their solar limit from 150 KW to 225 KW. Our understanding is that as this expansion was determined not to be detrimental to the agency, it was Approved unanimously by the IMEA Board of Directors via Resolution R22-06-874.

The Village of Winnetka respectfully requests that the IMEA Board of Directors consider granting a similar limited variance to allow our limit on Small Renewable Generation to be raised from 150 KW to 275 KW.

Thanks in advance for the Board of Directors' consideration of this request.

*Nick Narhi*

Nicholas Narhi  
Director of Water & Electric

**RESOLUTION APPROVING LIMITED WAIVER FOR THE CITY OF  
BUSHNELL REGARDING THE CAPACITY PURCHASE AGREEMENT  
AND IMEA MEMBER GENERATION POLICY**

WHEREAS, the Illinois Municipal Electric Agency (“IMEA” or “Agency”) and the City of Bushnell (“Bushnell” or “City”) have heretofore entered into a Power Sales Contract, dated June 1, 1990, as amended, pursuant to which the City purchases the full requirements of electric power and energy to serve the load of the customers in its service area through September 30, 2035, and a new Power Sales Contract, dated April 1, 2024 that has a term beginning on October 1, 2035; and

WHEREAS, in furtherance of its obligation under the Power Sales Contract entered into with all its Member municipalities, including the City, IMEA plans for and takes all necessary steps to meet the long-term, full requirements power and energy needs of the Members; IMEA has assembled a portfolio of capacity and energy resources consisting of, among other resources, member-owned generation dedicated to IMEA through Capacity Purchase Agreements with certain Members; and

WHEREAS, IMEA and the City have heretofore entered into a Capacity Purchase Agreement, pursuant to which the City has dedicated certain behind the meter generating resources owned and operated by the City to the Agency’s control and use; the existing Capacity Purchase Agreement, as amended, is tied to and matches the term of the existing Power Sales Contract, as amended, through September 30, 2035; the City has entered into a new Capacity Purchase Agreement, dated the same day and tied to the new Power Sales Contract, that has a term beginning on October 1, 2035; and

WHEREAS, the IMEA Board of Directors, under Resolution 93-06-278, approved and adopted a Member Generation Policy to supplement the Capacity Purchase Agreements in governing the relationship between the Agency and the Members’ dedicated generation resources, as well as non-dedicated generation resources owned by certain individual Members, which has been updated and revised from time to time; and

WHEREAS, the Capacity Purchase Agreement and the currently effective Member Generation Policy state that Members must notify the Agency if any of its Generating Facilities experience outages of any kind, and the Policy has provisions regarding dedicated generator outages caused by significant equipment failure; the Policy provides that Members shall be permitted to transfer the Dedicated Capacity associated with a retiring unit to replacement Generating Facilities; Section D.2 of the Policy provides that such replacement generation shall be built and placed in service and tested within one year of the retirement; and

WHEREAS, Bushnell owns an 1,966 kW diesel unit (“Unit 4”) that is directly connected to its distribution system and dedicated for IMEA use under its Capacity Purchase Agreement(s), but the said Unit 4 experienced significant equipment failure and the City Council took affirmative action to evaluate the damage and adopt a plan of action for the repair or replacement of the generating unit; and

WHEREAS, the City formally notified the Agency that Unit 4 will not be returned to service but will be retired effective August 5, 2025 and replaced with a replacement Generating Facility and further stated that the one-year replacement deadline under the Member Generation Policy may not be a reasonably sufficient time to install replacement generation due to permitting, supply chain, and labor constraints not within the City's control; it is anticipated that obtaining City Council approval and the necessary regulatory permits, as well as time needed to transport, install, test, and place into service the replacement Generating Facility, could potentially take over a year; based on such time period, the City is targeting to have the replacement Generating Facility placed in service on or before December 31, 2027; and

WHEREAS, Bushnell has requested by letter dated August 7, 2025, a copy of which is attached hereto, and IMEA staff recommends, that the Board of Directors approve a limited waiver of the one-year deadline to replace Generating Facilities under Section D.2 of the Member Generation Policy for Bushnell because one year is not a reasonably sufficient timeframe for the City to approve, permit, plan, procure, and construct replacement generation for Unit 4 given the circumstances; and

WHEREAS, it is reasonable and appropriate to approve a waiver of the one-year Generation Facility replacement timeline under the Member Generation Policy at this time as opposed to reopening and revising the Policy as a whole given the limited nature of the request; a similar waiver was granted to the Village of Winnetka in 2024, and that waiver is still active; Bushnell and Winnetka are the only Members currently seeking to replace the Dedicated Capacity of their units under these circumstances at this time; and the waiver is reasonable in relation to ongoing permitting, supply chain, and labor constraints.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ILLINOIS MUNICIPAL ELECTRIC AGENCY:

Section 1. The findings and determinations set forth in the recitals of this Resolution are hereby made findings and determinations of the Board of Directors of the Illinois Municipal Electric Agency and are incorporated into the body of this Resolution as if set forth in full.

Section 2. The Board of Directors of the Illinois Municipal Electric Agency hereby finds and determines that it is reasonable and appropriate to approve, and hereby grants and approves a waiver of the one-year deadline for replacement generation under the Member Generation Policy for the City of Bushnell's Unit 4 through December 31, 2027 or such further time as reasonably required as determined by the IMEA President & CEO. Bushnell shall fully comply with the requirements of the Member Generation Policy and the Capacity Purchase Agreement in all other respects in connection with the required time frames for installation of such replacement Generating Facilities.

Section 3. The Board of Directors of the Illinois Municipal Electric Agency hereby authorizes and empowers the President & CEO to continue to administer the Member Generation Policy in connection with Bushnell's Generating Facilities, including Unit 4 and its replacement, subject to the waiver granted herein, and to take all steps and execute any and all documents

reasonably necessary or appropriate in connection with such administration. The execution by the President & CEO of all such documents is hereby approved, ratified and confirmed.

Section 4. This resolution shall take effect immediately upon its passage.

ADOPTED: \_\_\_\_\_, 2025

SIGNED: \_\_\_\_\_, 2025

BY: \_\_\_\_\_

Chairman

ATTEST: \_\_\_\_\_

Secretary/Treasurer

# Municipal Utilities



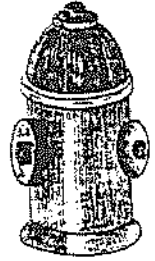
ELECTRIC

148 East Hail Street  
BUSHNELL, ILLINOIS 61422



GAS

Area Code 309  
772-2029



WATER

August 7, 2025

Kevin M. Gaden  
President & CEO  
Illinois Municipal Electric Agency  
3400 Conifer Drive  
Springfield, IL 62711

Dear Kevin:

I want to let you know that on September 16<sup>th</sup>, 2024, the City of Bushnell's Fairbanks Morse Unit #4 experienced an alternator issue, which forced it out of service. Unit #4 was fully dedicated to IMEA under the City's Capacity Purchase Agreement and, at the time of the forced outage, was receiving capacity payments based on a net tested/declared capacity of 1,966 kW at \$3.20/kW-month.

The City had initially planned to repair Unit 4 due to circumstances beyond the City's control primarily due to cost escalation of the estimated repair, the City has determined such option to be unfeasible. As a result, the Unit will not be returned to service and will be retired. The City is looking to replace this unit and is already working towards a replacement.

Due to IEPA permitting, supply chain, and labor constraints, the replacement generator will very likely take more than one year. As such, the City is requesting the IMEA Board of Directors to grant it a waiver of the one year replacement generation installation timeframe pursuant Section D.2 of the Member Generation Policy.

Further, please consider this letter as the formal, 30-day notice that Bushnell's Unit #4 will be retired as of August 5, 2025 due to the prolonged outage. The unit will be unavailable for the upcoming RTO Planning Year and will not be receiving any payments. But as mentioned, the City is planning to replace Unit #4 with a replacement Generation Facility pursuant the Member Generation Policy.

Sincerely,

Joe Fosdyck  
Bushnell Utility Manager

**RESOLUTION AUTHORIZING THE SALE OF LAND TO  
AMEREN ILLINOIS COMPANY**

WHEREAS, the Illinois Municipal Electric Agency (“IMEA”) is organized under the Illinois Joint Municipal Electric Power Act, 65 ILCS 5/11-119.1-1 et seq. (the “Act”) as a municipal power agency, and it provides electric power and energy and related services to its member municipalities that own and operate their own municipal electric utility distribution systems; and

WHEREAS, IMEA previously (in the mid- to late-1990s) approved the financing, construction, ownership, and maintenance of a 138 kV electric transmission line and substation facilities near the City of Highland (“1990 Highland Project”) in order to better provide electric power and energy and related services to the City of Highland (“Highland”) at the time; the original approved line route was between Aviston and Highland; the line route was later changed, and the actual line was built between Collinsville and Highland; and

WHEREAS, as part of developing the 1990 Highland Project, IMEA acquired real estate, including a 0.61-acre parcel of undeveloped land in Clinton County, Illinois next to a substation owned by Ameren Illinois Company near Aviston (“Parcel”), as well as easements adjoining the Parcel, where certain transmission facilities would have been constructed; the 1990 Highland Project was not and is no longer being developed on the Aviston route by IMEA, and the Parcel and the easements are no longer needed for their intended purpose; and

WHEREAS, Ameren Illinois Company and its affiliate Ameren Transmission Company of Illinois (collectively “Ameren”) are developing a transmission project to provide a more robust power supply arrangement for a portion of southern Illinois, including Highland, which would make the substation owned by Ameren near Aviston, Illinois a fully looped part of the existing Ameren transmission system through the use of Highland's 138kV transmission line; this project is discussed in greater detail in IMEA Resolution 19-08-834, which authorized the President & CEO to take steps in support of the project; as part of the memorandum of understanding between Ameren, Highland and IMEA supporting this project, IMEA agreed to transfer its property interests near the Aviston substation to Ameren at fair market value; and

WHEREAS, Ameren desires to purchase the Parcel at this time as part of the above project and to extinguish or take assignment of the easements owned by IMEA in order to expand Ameren’s transmission facilities; Ameren desires to enter into a Contract of Purchase and Sale for the Parcel for a certain sum of money as well as to provide for all recording expenses and services associated with such purchase including the extinguishment or assignment of all related easements; and

WHEREAS, because the Parcel continues to remain vacant and IMEA has no plans to develop or otherwise use the Parcel or its related easements, IMEA Staff recommends that the IMEA Board of Directors authorize the President & CEO to negotiate, finalize, and execute a Contract of Purchase and Sale, as well as other necessary or appropriate documents with Ameren for the Parcel.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ILLINOIS MUNICIPAL ELECTRIC AGENCY:

Section 1. The findings and determinations set forth in the recitals of this Resolution are hereby made findings and determinations of the Board of Directors of the Illinois Municipal Electric Agency and are incorporated into the body of this Resolution as if set forth in full.

Section 2. The Board of Directors of the Illinois Municipal Electric Agency hereby finds and determines that it is reasonable and appropriate to approve the sale of the 0.61-acre parcel owned by the Agency in Clinton County, Illinois to Ameren Illinois Company or one of its affiliate, as well as to extinguish or assign all easements associated with the Parcel.

Section 3. The Board of Directors hereby authorizes and empowers the President & CEO to negotiate, finalize and execute a Contract of Purchase and Sale with Ameren Illinois Company or one of its affiliate for the sale of the Parcel and the related easements to Ameren.

Section 4. The Board of Directors of the Illinois Municipal Electric Agency further authorizes the President & CEO to take all reasonable and necessary steps and execute all agreements, amendments, or other documents reasonably necessary or appropriate to sell, transfer, or otherwise dispose of the Parcel, the easements and any associated real property interests to Ameren. The execution by the President & CEO of all such steps and any such documents is hereby approved, ratified, and confirmed.

Section 5. This Resolution shall take effect immediately upon its passage.

ADOPTED: \_\_\_\_\_, 2025

SIGNED: \_\_\_\_\_, 2025

BY: \_\_\_\_\_  
Chairman

ATTEST: \_\_\_\_\_  
Secretary/Treasurer

**RESOLUTION APPROVING NEW DELIVERY POINT  
FOR THE CITY OF ROCK FALLS**

WHEREAS, the Illinois Municipal Electric Agency ("IMEA" or "Agency") and the City of Rock Falls ("Rock Falls") have heretofore entered into a Power Sales Contract, dated June 1, 1990, as amended, pursuant to which Rock Falls purchases the full requirements of electric power and energy to serve the load of the customers in its service area through September 30, 2035, and a new Power Sales Contract, dated April 16, 2024 that has a term beginning on October 1, 2035; and

WHEREAS, Schedule A of the Power Sales Contract identifies, by location and voltage, the Delivery Points where the electric power and energy purchased under the Contract are delivered by IMEA and received by Rock Falls; and

WHEREAS, the Public Utility Regulatory Policies Act ("PURPA") requires utilities (including small utilities and public power utilities) to interconnect renewable generating facilities that meet the definition of Qualifying Facility ("QF") with their electric distribution systems, to pay QFs for excess energy delivered to their distribution systems at a rate equal to avoided cost, and to provide supplemental and backup electric service to the utility's customers that own and operate the QF; and

WHEREAS, Rock Falls has a waiver issued by the Federal Energy Regulatory Commission ("FERC") in Docket IR-1535-000, on March 9, 2000, from the obligation to purchase the excess power delivered to the Rock Falls electric distribution system by QFs; as part of the FERC waiver IMEA has undertaken the obligation to purchase such excess power from QFs; and

WHEREAS, a customer of Rock Falls that owns and operates a commercial business is proposing to install or has installed a photovoltaic solar facility (99 kV<sub>AC</sub>) on a single building structure on its property; Rock Falls has approved the interconnection and parallel operation of the solar facilities with its distribution system, and Rock Falls and the customer have executed a Facilities Interconnection Agreement; it is anticipated that the electricity production from the solar facilities will exceed the customer's electricity requirements during a number of hours each day and that the excess energy will be delivered to the Rock Falls electric distribution system on an "as available" basis; the customer has or will take such actions as are required to become properly certified as a QF, and has requested that IMEA purchase its excess energy; and

WHEREAS, IMEA Staff is preparing the form of an agreement with Rock Falls and the customer pursuant to which the customer will deliver excess energy on an "as available" basis to the Rock Falls electric distribution system; Rock Falls will maintain its system, including the metering equipment at the customer's property, administer the interconnection with the customer, and provide IMEA with appropriate metering information; and IMEA will pay the customer for such excess energy at a rate equal to IMEA's avoided cost, all in accordance with FERC's PURPA regulations; and

WHEREAS, the QF agreement with the Rock Falls customer will become an additional resource in the IMEA resource portfolio and the interconnection and metering points of the

customer's solar facilities with the Rock Falls electric distribution system will be new Delivery Point(s) and Point(s) of Measurement under the Power Sales Contract; and

WHEREAS, it is appropriate that the IMEA Board of Directors approve the new Delivery Point(s) and Points(s) of Measurement and authorize the President & CEO to complete the preparation, negotiation and finalization of the QF agreement and the implementation thereof, including the issuance of an updated Schedule A to the Power Sales Contract to reflect the new Delivery Point(s) and Point(s) of Measurement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ILLINOIS MUNICIPAL ELECTRIC AGENCY:

Section 1. The Board of Directors of the Illinois Municipal Electric Agency hereby approves the new Delivery Point(s) and Point(s) of Measurement for the City of Rock Falls under the Power Sales Contract at the point(s) of interconnection and metering point(s) of the QF customer's facilities with the Rock Falls electric distribution system.

Section 2. The Board of Directors of the Illinois Municipal Electric Agency hereby authorizes the President & CEO to prepare, negotiate, and determine the final form of and execute the QF agreement described in the prefatory statements above. The President & CEO is further authorized to take all steps and execute any other agreements, amendments or other documents reasonably necessary or appropriate in the implementation, administration and enforcement of the QF agreement authorized herein. The execution by the President & CEO of all such agreements, amendments and other documents is hereby approved, ratified and confirmed.

Section 3. Upon completion of the interconnection of the QF customer's facilities with the Rock Falls electric distribution system and execution of the QF agreement authorized herein, the President & CEO, or such other employee of IMEA as he shall designate, is authorized to and shall issue a revised Schedule A of the Power Sales Contract currently in effect between IMEA and the City of Rock Falls and a Schedule A to the new Power Sales Contract between IMEA and the City of Rock Falls that has a term beginning on October 1, 2035, each showing the new Delivery Point(s) and Point(s) of Measurement, and such revised Schedule As shall be effective as of the effective date of the QF agreement.

Section 4. This resolution shall take effect immediately upon its passage.

ADOPTED: \_\_\_\_\_, 2025      SIGNED: \_\_\_\_\_, 2025

BY: \_\_\_\_\_  
Chairman

ATTEST: \_\_\_\_\_  
Secretary/Treasurer

# **Illinois Municipal Electric Agency**

Financial Statements and  
Supplementary Information

April 30, 2025 and 2024

# Illinois Municipal Electric Agency

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April 30, 2025 and 2024

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## **Independent Auditors' Report**

To the Board of Directors of  
Illinois Municipal Electric Agency

### **Opinion**

We have audited the accompanying financial statements of Illinois Municipal Electric Agency (IMEA), as of and for the years ended April 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise IMEA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of IMEA as of April 30, 2025 and 2024, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of IMEA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about IMEA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of IMEA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about IMEA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Baker Tilly US, LLP*

Madison, Wisconsin  
July 28, 2025

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# **Illinois Municipal Electric Agency**

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Management's Discussion and Analysis  
April 30, 2025 and 2024  
(Unaudited)

The management of the Illinois Municipal Electric Agency (IMEA) offers all persons interested in the financial position of IMEA this narrative overview and analysis of IMEA's financial performance during the years ending April 30, 2025 and 2024. Please read this narrative in conjunction with the accompanying financial statements and the accompanying notes to financial statements.

## **Overview of the Financial Statements**

The Illinois Municipal Electric Agency is a body politic and corporate, municipal corporation and unit of local government of the State of Illinois. IMEA was created in 1984 under the provisions of Division 119.1 of Article II of the Illinois Municipal Code by a group of municipalities. The purpose of IMEA is to jointly plan, finance, own and operate facilities for the generation and transmission of electrical power and energy-related facilities to provide for the current and projected energy needs of the purchasing members. IMEA has thirty-two (32) members, each of which is a municipal corporation in the State of Illinois and owns and operates a municipal electric system.

This annual report consists of two parts: Management's Discussion and Analysis (this section) and the financial statements. These statements are prepared on the accrual basis of accounting in accordance with accounting principals generally accepted in the United States of America. IMEA uses the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission.

The Statements of Revenues, Expenses and Changes in Net Position present information showing how IMEA's net position changed during the most recent year due to IMEA's business activity. The Statements of Net Position report year end assets, deferred outflows of resources, liabilities and net position balances based on the original cost adjusted for any depreciation, amortization or unrealized gains/losses as appropriate. Over time, increases or decreases in IMEA's net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider include the Agency's wholesale electric rates and ability to maintain or exceed the debt coverage levels required by its bond resolution.

## **IMEA Financial Analysis**

An analysis of IMEA's financial position begins with the review of the Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position. A summary of IMEA's Statements of Net Position is presented in Table 1 and the Statements of Revenues, Expenses and Changes in Net Position are summarized in Table 2.

# Illinois Municipal Electric Agency

Management's Discussion and Analysis  
April 30, 2025 and 2024  
(Unaudited)

**Table 1**  
**Condensed Statements of Net Position**

	2025	2024	2023
Utility plant	\$901,619,261	\$926,862,215	\$951,383,076
Restricted assets	98,371,687	97,226,562	97,716,541
Current assets	184,828,670	166,660,820	157,476,266
Other assets	1,841,903	3,296,693	2,655,475
Deferred outflows of resources	12,657,477	15,033,344	17,577,371
Total Assets and Deferred Outflows of Resources	<u>\$1,199,318,998</u>	<u>\$1,209,079,634</u>	<u>\$1,226,808,729</u>
Net Position:			
Invested in capital assets	\$324,392,192	\$296,176,193	\$271,346,000
Restricted	12,045,331	11,511,814	10,751,876
Unrestricted	155,810,788	138,480,542	117,458,280
Total Net Position	<u>492,248,311</u>	<u>446,168,549</u>	<u>399,556,156</u>
Noncurrent liabilities	628,896,608	687,516,625	751,897,317
Current liabilities	78,174,079	75,394,460	75,355,256
Total Liabilities	<u>707,070,687</u>	<u>762,911,085</u>	<u>827,252,573</u>
Total Net Position and Liabilities	<u>\$1,199,318,998</u>	<u>\$1,209,079,634</u>	<u>\$1,226,808,729</u>

## Statements of Net Position

Year Ended April 30, 2025

IMEA's total utility plant decreased by \$25,242,954 during the year ended April 30, 2025. The Agency made total payments of \$12,651,846 toward the capital improvements associated with the Prairie State project, Trimble County Units 1 & 2 projects and other smaller capital acquisitions and improvements. Total current liabilities associated with these capital improvements were \$925,060. These capital investments net of depreciation accounted for most of the changes in utility plant. Depreciation expense of \$36,445,143 was recorded during the year.

IMEA had an increase in the cash and short-term investments held in operating reserve accounts of \$14,580,558 from the previous year. Accounts receivable increased by \$1,051,684 from the previous year. Prepayments increased by \$2,950,644 from the previous year. The value of renewable energy credits held at the end of the year decreased by \$302,826. These changes along with a decrease in the value of bond interest subsidy receivable and an increase in collateral held for others at the end of the year represent much of the increase in current assets of \$18,167,850.

Proceeds of revenue bonds not yet expended are included in restricted assets. The increase in restricted assets of \$1,145,125 was primarily caused by a rise in the market value of investments being held in restricted accounts.

Net position increased due to the current year's operations that resulted in net income of \$46,079,762.

*See accompanying independent auditors' report*

## Illinois Municipal Electric Agency

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Management's Discussion and Analysis  
April 30, 2025 and 2024  
(Unaudited)

Principal repayments associated with the Agency's outstanding revenue bonds totaled \$50,005,000. IMEA is scheduled to repay an additional \$51,725,000 on the outstanding revenue bonds on February 1, 2026, which is included in current liabilities. The Agency also had no current year payments with no draws against a line of credit facility available to IMEA keeping the total outstanding draws on the line of credit to \$0. The total undrawn portion of this line of credit was \$50,000,000.

### Year Ended April 30, 2024

IMEA's total utility plant decreased by \$24,520,861 during the year ended April 30, 2024. The Agency made total payments of \$11,601,700 toward the capital improvements associated with the Prairie State project, Trimble County Units 1 & 2 projects and other smaller capital acquisitions and improvements. Total current liabilities associated with these capital improvements were \$929,797. These capital investments net of depreciation accounted for most of the changes in utility plant. Depreciation expense of \$35,989,197 was recorded during the year.

IMEA had an increase in the cash and short-term investments held in operating reserve accounts of \$8,631,266 from the previous year. Accounts receivable decreased by \$1,272,895 from the previous year. Prepayments increased by \$2,724,731 from the previous year. The value of renewable energy credits held at the end of the year decreased by \$811,965. These changes along with a decrease in the value of bond interest subsidy receivable and an increase in collateral held for others at the end of the year represent much of the increase in current assets of \$9,184,554.

Proceeds of revenue bonds not yet expended are included in restricted assets. The decrease in restricted assets of \$489,979 was primarily caused by a return of excess funds following the Trustee's (BNY Mellon) annual cash valuation calculations.

Net position increased due to the current year's operations that resulted in net income of \$46,612,393.

Principal repayments associated with the Agency's outstanding revenue bonds totaled \$47,750,000. IMEA is scheduled to repay an additional \$50,005,000 on the outstanding revenue bonds on February 1, 2025, which is included in current liabilities. The Agency also had current year payments of \$2,000,000 with no draws against a line of credit facility available to IMEA bringing the total outstanding draws on the line of credit to \$0. The total undrawn portion of this line of credit was \$50,000,000.

# Illinois Municipal Electric Agency

Management's Discussion and Analysis  
April 30, 2025 and 2024  
(Unaudited)

**Table 2**  
**Condensed Statements of Revenues, Expenses and Changes in Net Position**

	2025	2024	2023
Operating revenues	\$328,817,328	\$312,627,656	\$312,710,430
Depreciation expense	36,445,143	35,989,197	35,331,150
Other operating expenses	227,424,381	207,731,360	201,318,145
Total Operating Expenses	263,869,524	243,720,557	236,649,295
Operating Income	64,947,804	68,907,099	76,061,135
Investment income	10,500,747	9,814,135	3,911,985
Interest and amortization expense	(29,883,784)	(32,165,974)	(34,290,557)
Other income/(expense)	514,995	57,133	(12,174)
Total Non-Operating Expenses	(18,868,042)	(22,294,706)	(30,390,746)
Change in Net Position	46,079,762	46,612,393	45,670,389
Net Position, Beginning of Year	446,168,549	399,556,156	353,885,767
Net Position, End of Year	\$492,248,311	\$446,168,549	\$399,556,156

## Statements of Revenue, Expenses and Changes in Net Position

Year Ended April 30, 2025

Sales to participating members of \$317,517,766 and 3,728,074,237 kilowatt hours ("kWh") were recorded during the fiscal year ended April 30, 2025. This represented an increase of \$15,329,493 (5.1 percent) in revenue from sales to participating members and an increase of 67,971,145 kWh (1.9 percent) as compared with the previous year. Energy sales were higher this year as compared to the previous year due to warmer temperatures over the summer and colder temperatures over the winter across Illinois.

IMEA recorded a coincident peak demand of 931 MW, which was approximately 4.3 percent lower than the 973 MW experienced in the previous year. The total member non-coincident peak demand was 946 MW, which was approximately 4.2 percent lower than the 987 MW experienced in the previous year.

The average cost of power sold to the participating members with capacity credits of 8.30 cents per kWh was approximately 3.4 percent higher than the 8.03 cents per kWh from the previous year.

*See accompanying independent auditors' report*

## Illinois Municipal Electric Agency

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Management's Discussion and Analysis  
April 30, 2025 and 2024  
(Unaudited)

Total operating expenses increased by \$20,148,967 (8.3 percent) from the previous year due primarily to higher transmission and purchased power expenses. Purchased power expenses went up 8.1 percent from the previous year due to IMEA having less generation from IMEA owned assets in the current year and a more favorable position in the energy markets during the previous fiscal year. Operation and maintenance expenses at generating units went up 3.7 percent from the previous year mainly due to inflation. Transmission expenses, which are outside of IMEA's control, went up 30.1 percent over fiscal year 2024. In reaction to an industry trend of increasing transmission expenses over the last several years, in fiscal year 2024 IMEA made use of prior year excess revenues received from MISO in connection with IMEA's Auction Revenue Rights and Financial Transmission Rights to create a regulatory credit of \$7,550,000. This regulatory credit was used evenly across all 12 months of fiscal year 2024 to offset increases in transmission expenses, part of the increase in fiscal year 2025 is attributed to the use of the regulatory credit in fiscal year 2024. For fiscal year 2025, fuel at generating units went down 2.8 percent from the previous year due to lower generation. Fuel reimbursements decreased by 4.0 percent due to member generation being called to generate less than prior year. Non-operating expenses decreased by \$3,426,664 (15.4 percent) from the previous year due primarily to lower interest expense and higher interest income. Interest expense decreased by 7.0 percent primarily due to payments made to reduce outstanding revenue bonds. Interest income increased by 7.0 percent due to interest rates paid on IMEA's investments being higher than the previous year.

### Year Ended April 30, 2024

Sales to participating members of \$302,188,273 and 3,660,103,092 kilowatt hours ("kWh") were recorded during the fiscal year ended April 30, 2024. This represented a decrease of \$580,773 (0.2 percent) in revenue from sales to participating members and a decrease of 101,094,732 kWh (2.7 percent) as compared with the previous year. Energy sales were lower this year as compared to the previous year due to milder temperatures over the summer and winter across Illinois.

IMEA recorded a coincident peak demand of 973 MW, which was approximately 6.2 percent higher than the 915 MW experienced in the previous year. The total member non-coincident peak demand was 987 MW, which was approximately 4.1 percent higher than the 948 MW experienced in the previous year.

The average cost of power sold to the participating members with capacity credits of 8.03 cents per kWh was approximately 2.6 percent higher than the 7.82 cents per kWh from the previous year.

Total operating expenses increased by \$7,071,262 (3.0 percent) from the previous year due primarily to higher purchased power expenses. Purchased power expenses went up 38.1 percent from the previous year due to IMEA having a more favorable position in the energy markets during the previous fiscal year. Operation and maintenance expenses at generating units went up 0.4 percent from the previous year mainly due to inflation. Transmission expenses, which are outside of IMEA's control, went down 13.0 percent. There has been a trend of increasing transmission expenses seen over the last several years, IMEA made use of prior year excess revenues received from MISO in connection to IMEA's Auction Revenue Rights and Financial Transmission Rights to create a regulatory credit of \$7,550,000. This regulatory credit was used evenly across all 12 months of fiscal year 2024 to offset increases in transmission expenses. Fuel at generating units went down 4.6 percent from the previous year due to the cost of coal at Trimble County Units returning to a level more consistent with history. Fuel reimbursements decreased by 20.4 percent due to member generation being called to generate less than prior year. Non-operating expenses decreased by \$8,096,040 (26.6 percent) from the previous year due primarily to lower interest expense and higher interest income. Interest expense decreased by 6.0 percent primarily due to payments made to reduce outstanding revenue bonds. Interest Income increased by 150.9 percent due to interest rates paid on IMEA's investments being much higher than the previous year.

# Illinois Municipal Electric Agency

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Management's Discussion and Analysis  
April 30, 2025 and 2024  
(Unaudited)

## Debt Service Coverage

IMEA's bond resolution requires the Agency to maintain a debt service coverage ratio of 110 percent. Debt service coverage for the year ended April 30, 2025 was approximately 134.1 percent and approximately 136.4 percent for the year ended April 30, 2024. IMEA made no transfers during the year ended April 30, 2025 or during the year ended April 30, 2024 into the rate stabilization account, transfers would have reduced debt service coverage.

## Significant Events

Illinois Municipal Electric Agency (IMEA) holds a 15.17% undivided ownership interest in the Prairie State Energy Campus (PSEC) which is operated through the Prairie State Generating Company (PSGC). On October 20, 2022, the PSGC received a Notice of Intent (NOI) to file suit from the Sierra Club alleging violations of the Federal Clean Air Act. The NOI to PSGC allowed Sierra Club to file suit on or after December 19, 2022. On March 22, 2023, the Sierra Club filed suit against PSGC. The Sierra Club alleges that PSEC is in violation of the Federal Clean Air Act because it does not have a Title V permit from the Illinois Environmental Protection Agency (IEPA). PSEC, however, does have and is operating legally under its Prevention of Significant Deterioration (PSD) permit from IEPA. Therefore, IMEA did not believe the suit had merit or that it was likely to have a material impact on the finances or operations of PSEC. In December 2024, the Illinois Pollution Control Board acknowledged that PSGC has been lawfully operating under its PSD permit and ordered IEPA to issue a final Clean Air Act Title V operating permit (known in Illinois as a Clean Air Act Permit Program permit or CAAPP). On April 16, 2025, Sierra Club and Prairie State filed a joint Stipulation of Dismissal with Prejudice. The U.S. District Court for Southern Illinois accepted the joint stipulation. Stipulation of dismissal is effective immediately upon filing and does not require judicial approval. This brings an end to a 2-year-long questionable challenge to Prairie State's lawfully permitted operations. Sierra Club will not be able to bring this matter to court again. PSGC filed for an update to its Title V permit application on January 7, 2025. As per the Illinois Pollution Control Board order, the IEPA must issue a draft permit or refuse to grant a permit within one year of the updated application filing (January 2026). If the IEPA issues a draft permit, the order also directs the IEPA to issue a final permit within two years of the updated application filing (January 2027).

IMEA reached an agreement with Illinois Power Marketing (IPM), a wholly owned subsidiary of Vistra Corp., to shorten the term of a long-term, baseload purchase power agreement. The original term of the agreement was set to end on September 30, 2035, with an amended term through May 31, 2026. IMEA and IPM set a new end date of May 31, 2022 that coincided with the MISO Planning Year. As part of the shortened long-term agreement, IMEA is purchasing capacity and energy from IPM for one year, that year began on June 1, 2022 and ended on May 31, 2023 via a market-based transaction. This one-year agreement ended in fiscal year 2024. IMEA is evaluating and procuring carbon-free resources and market purchases to replace the energy and capacity it procured from this purchase power agreement.

For the Delivery Year that began on June 1, 2022 and ended on May 31, 2023, IMEA received excess revenues of approximately \$12,300,000 from credits received from MISO in connection with IMEA's Auction Revenue Rights (ARRs) and Financial Transmission Rights (FTRs), which are treated as offsets to transmission-related expenses ("Excess Transmission Credits"). IMEA used a portion of the Excess Transmission Credits (\$4,750,000) to repay and retire a previously established regulatory asset and the remainder (\$7,550,000) to establish a regulatory credit to forgo an otherwise needed Delivery Service rate increase for fiscal year 2024. The regulatory credit allowed the remaining Excess Transmission Credits to be carried forward from fiscal year 2023 to fiscal year 2024, the regulatory credit allowed for the Excess Transmission Credits to offset delivery service expenses in fiscal year 2024. The funds in the regulatory credit were allocated evenly (1/12th) each month of fiscal year 2024.

## **Illinois Municipal Electric Agency**

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Management's Discussion and Analysis  
April 30, 2025 and 2024  
(Unaudited)

### **Renewable and Carbon-Free Energy Resources**

IMEA has a contract to purchase 70 MW of wind energy from the Lee-Dekalb wind project owned by FPL Energy Illinois Wind, LLC and another contract to purchase 50 MW of wind from the Green River Wind Farm that was developed by Geronimo Energy, LLC. Two of IMEA's members own and operate run-of-the-river hydroelectric generation that totals nearly 10 MW of carbon-free energy for IMEA. IMEA also has contracts for the purchase of approximately 7.5 MW of solar energy located within eight of IMEA's member electric systems. These resources provide IMEA with carbon-free and/or renewable energy resources totaling slightly more than 10 percent of IMEA's energy requirements. In addition, IMEA is under contract to purchase 25 MW of solar energy from Big River Solar, this is a solar project located in Illinois that became operational in 2022. This contract has a June 2025 start date. In 2024, IMEA entered into a 20-year power purchase agreement with Bee Hollow Solar, LLC, which represents a purchase of 150 MW of solar capacity, associated energy and RECs from the Bee Hollow Solar Project, a proposed 150 MW solar energy project located in St. Clair County, Illinois in the MISO market, currently expected to become operational by the end of 2026. The purchase of this solar energy represents approximately 9% of IMEA's Participating Members' energy requirements. IMEA is working with an experienced solar vendor, SolAmerica, to potentially add 11 MW of solar to be located within the electric systems of IMEA members. IMEA continues to evaluate additional carbon-free resources and will seek and evaluate additional opportunities to increase the amount of energy it produces from renewable or carbon-free resources. When the above referenced IPM agreement expired on May 31, 2023, IMEA no longer has any carbon-based purchase power agreements in place.

### **Contacting IMEA's Management**

This financial report is designed to provide our members, investors and creditors with a general overview of IMEA's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Illinois Municipal Electric Agency, 3400 Conifer Drive, Springfield, IL 62711.

# Illinois Municipal Electric Agency

## Statements of Net Position

April 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Assets and Deferred Outflows of Resources</b>		
<b>Utility Plant</b>		
Utility plant in service	\$ 1,335,082,256	\$ 1,329,449,580
Accumulated depreciation	(474,543,742)	(440,478,810)
Construction work in progress	<u>41,080,747</u>	<u>37,891,445</u>
Total utility plant	<u>901,619,261</u>	<u>926,862,215</u>
<b>Restricted Assets</b>		
Cash and investments	<u>98,371,687</u>	<u>97,226,562</u>
<b>Current Assets</b>		
Cash	86,702,741	74,777,666
Investments	40,148,296	37,492,813
Accounts receivable	20,991,431	19,939,747
Bond interest subsidy receivable	1,536,377	1,660,736
Renewable energy credits	2,489,065	2,791,891
Prepayments	32,426,362	29,475,718
Collateral held for others	<u>534,398</u>	<u>522,249</u>
Total current assets	<u>184,828,670</u>	<u>166,660,820</u>
<b>Other Assets</b>		
Regulatory costs for future recovery	1,214,975	1,443,722
Unrealized (gain) loss on investments	(776,792)	1,522,305
Prairie State, other long term asset	<u>1,403,720</u>	<u>330,666</u>
Total other assets	<u>1,841,903</u>	<u>3,296,693</u>
Total assets	<u>1,186,661,521</u>	<u>1,194,046,290</u>
<b>Deferred Outflows of Resources</b>		
Unamortized loss on advance refunding	<u>12,657,477</u>	<u>15,033,344</u>
Total assets and deferred outflows of resources	<u>\$ 1,199,318,998</u>	<u>\$ 1,209,079,634</u>

See notes to financial statements

# Illinois Municipal Electric Agency

## Statements of Net Position

April 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Net Position and Liabilities</b>		
<b>Net Position</b>		
Net investment in capital assets	\$ 324,392,192	\$ 296,176,193
Restricted	12,045,331	11,511,814
Unrestricted	<u>155,810,788</u>	<u>138,480,542</u>
Total net position	<u>492,248,311</u>	<u>446,168,549</u>
<b>Noncurrent Liabilities</b>		
Revenue bonds	591,875,000	643,600,000
Unamortized premium	23,792,717	28,258,722
Other liabilities	<u>13,228,891</u>	<u>15,657,903</u>
Total noncurrent liabilities	<u>628,896,608</u>	<u>687,516,625</u>
<b>Current Liabilities</b>		
Accounts payable and accrued expenses		
Accounts payable:		
Purchased power and transmission	7,756,942	7,576,898
Jointly-owned facilities	8,549,328	7,097,553
Other	114,959	69,073
Collateral due to others	535,238	523,487
Other current liabilities	<u>674,427</u>	<u>552,057</u>
Total accounts payable and accrued expenses	<u>17,630,894</u>	<u>15,819,068</u>
Current liabilities payable from restricted assets:		
Current maturities of revenue bonds	51,725,000	50,005,000
Interest accrued	<u>8,818,185</u>	<u>9,570,392</u>
Total current liabilities payable from restricted assets	<u>60,543,185</u>	<u>59,575,392</u>
Total current liabilities	<u>78,174,079</u>	<u>75,394,460</u>
Total liabilities	<u>707,070,687</u>	<u>762,911,085</u>
Total net position and liabilities	<u>\$ 1,199,318,998</u>	<u>\$ 1,209,079,634</u>

See notes to financial statements

**Illinois Municipal Electric Agency**

Statements of Revenues, Expenses and Changes in Net Position  
Years Ended April 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Operating Revenues</b>		
Sales to participating members	\$ 317,517,766	\$ 302,188,273
Other income	<u>11,299,562</u>	<u>10,439,383</u>
Total operating revenues	<u>328,817,328</u>	<u>312,627,656</u>
<b>Operating Expenses</b>		
Purchased power	59,439,340	54,974,399
Transmission	61,766,274	47,463,430
Prairie State and Trimble County Units No. 1 and 2:		
Fuel	42,805,544	44,033,158
Operations and maintenance	41,915,642	40,401,496
Member payments:		
Fuel reimbursements	1,147,860	1,195,739
Capacity payments	8,229,607	8,424,829
Generation payments	13,252	9,099
Administration and general	9,921,793	9,245,964
Depreciation	36,445,143	35,989,197
Other utility operations	<u>2,185,069</u>	<u>1,983,246</u>
Total operating expenses	<u>263,869,524</u>	<u>243,720,557</u>
Operating income	<u>64,947,804</u>	<u>68,907,099</u>
<b>Nonoperating Revenues (Expenses)</b>		
Investment income	10,500,747	9,814,135
Bond interest subsidy revenue	6,209,538	6,655,720
Interest expense	(37,954,710)	(40,814,763)
Amortization expense	1,861,388	1,993,069
Other income (expense)	<u>514,995</u>	<u>57,133</u>
Total nonoperating revenues (expenses)	<u>(18,868,042)</u>	<u>(22,294,706)</u>
Change in net position	46,079,762	46,612,393
<b>Net Position, Beginning</b>	<u>446,168,549</u>	<u>399,556,156</u>
<b>Net Position, Ending</b>	<u>\$ 492,248,311</u>	<u>\$ 446,168,549</u>

See notes to financial statements

# Illinois Municipal Electric Agency

## Statements of Cash Flows

Years Ended April 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Cash Flows From Operating Activities</b>		
Received from power sales	\$ 307,075,359	\$ 293,831,497
Paid to suppliers for purchased power and transmission	(120,722,745)	(110,397,605)
Paid to suppliers and employees for other services	<u>(88,382,708)</u>	<u>(88,081,753)</u>
Net cash flows from operating activities	<u>97,969,906</u>	<u>95,352,139</u>
<b>Cash Flows From Noncapital and Related Financing Activities</b>		
Payment of line of credit debt	<u>-</u>	<u>(2,000,000)</u>
Net cash flows from noncapital financing and related activities	<u>-</u>	<u>(2,000,000)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Debt principal paid	(50,005,000)	(47,750,000)
Interest paid	(38,706,918)	(41,427,661)
Bond interest subsidy received	6,333,895	6,756,528
Acquisition and construction of capital assets	(12,651,846)	(11,601,700)
Asset retirement obligation costs incurred	<u>(26,416)</u>	<u>(26,041)</u>
Net cash flows from capital and related financing activities	<u>(95,056,285)</u>	<u>(94,048,874)</u>
<b>Cash Flows From Investing Activities</b>		
Investment income	10,500,751	9,814,135
Purchase of long-term investments	(150,649,618)	(158,577,843)
Maturity of long-term investments	<u>148,984,000</u>	<u>151,766,000</u>
Net cash flows from investing activities	<u>8,835,133</u>	<u>3,002,292</u>
Net change in cash and cash equivalents	11,748,754	2,305,557
<b>Cash and Cash Equivalents, Beginning</b>	<u>76,766,597</u>	<u>74,461,040</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 88,515,351</u>	<u>\$ 76,766,597</u>
<b>Noncash Capital and Related Financing Activities</b>		
Recording of other regulatory liability	\$ -	\$ (6,909,337)
Change in asset retirement obligation liability	\$ 2,589,752	\$ 762,197
Accretion expense	\$ 741,767	\$ 782,192
Change in unrealized loss on investments	\$ (2,299,097)	\$ 881,067
Amortization expense	\$ 1,861,388	\$ 1,993,069
Credits given on billings	\$ (9,390,719)	\$ (9,629,667)
Net gain (loss) on sale of assets	<u>\$ (514,995)</u>	<u>\$ (57,133)</u>

See notes to financial statements

## Illinois Municipal Electric Agency

### Statements of Cash Flows

Years Ended April 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Reconciliation of Operating Income to Net Cash Flows From Operating Activities</b>		
Operating income	\$ 64,947,804	\$ 68,907,099
Noncash items included in operating income:		
Depreciation	36,445,143	35,989,197
Other noncash transactions	(1,403,978)	(530,012)
Changes in assets and liabilities:		
Accounts receivable	(1,051,685)	1,272,894
Prepayments	(2,950,644)	(2,724,729)
Renewable energy credits	302,826	811,965
Accounts payable	1,682,439	(1,462,534)
Change in regulatory asset/liability	-	(6,909,340)
Other current liabilities	(1,999)	(2,401)
	<u>\$ 97,969,906</u>	<u>\$ 95,352,139</u>
Net cash flows from operating activities		
	<u>\$ 97,969,906</u>	<u>\$ 95,352,139</u>
<b>Reconciliation of Cash and Cash Equivalents to the Balance Sheets</b>		
Restricted cash and investments	\$ 98,371,687	\$ 97,226,562
Cash	86,702,741	74,777,666
Investments	<u>40,148,296</u>	<u>37,492,813</u>
Total cash and investments	225,222,724	209,497,041
Less investments	<u>(136,707,373)</u>	<u>(132,730,444)</u>
Total cash and cash equivalents	<u>\$ 88,515,351</u>	<u>\$ 76,766,597</u>

See notes to financial statements

# Illinois Municipal Electric Agency

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Notes to Financial Statements

April 30, 2025 and 2024

## 1. Summary of Significant Accounting Policies

The financial statements of the Illinois Municipal Electric Agency (IMEA) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by IMEA are described below.

### Reporting Entity

IMEA is a body politic and corporate, municipal corporation and unit of local government of the State of Illinois. IMEA was created in May 1984 under the provisions of Division 119.1 of Article II of the Illinois Municipal Code (the Act) by a group of municipalities for the purpose of jointly planning, financing, owning and operating facilities for the generation and transmission of electrical power and energy-related facilities which are appropriate to the present and projected energy needs to such municipalities. IMEA is owned and its policies governed by its member municipalities.

IMEA has provided the power and energy requirements of certain members since 1986, primarily through the purchase of wholesale requirements service from power providers and through IMEA owned generation. The contracts with power providers, which obligate IMEA to purchase electric energy for concurrent resale to its members, are in effect through September 2035.

As of April 30, 2025, IMEA had 32 member municipalities, all of which have executed long-term power sales contracts for the purchase of full requirements power and energy from IMEA. The original termination date for all of the power sales contracts with participating members is September 30, 2035. These members participate in the IMEA owned generation facilities and pay rates sufficient to meet the obligations of IMEA's bond resolution. Per resolutions 24-04-900 through 24-04-909, as of April 30, 2025, 27 members have signed new contracts to extend their termination dates to May 31, 2055.

### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when exchange takes place. IMEA uses the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The Statement requires that liabilities for compensated absences be recognized in financial statements prepared using the economic resources measurement focus for (1) leave that has not been used and (2) leave that have been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This standard was implemented July 1, 2024. The prior year impact of the standard was not considered material to the financial statements, therefore the prior year balances were not adjusted for the change.

# Illinois Municipal Electric Agency

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Notes to Financial Statements

April 30, 2025 and 2024

## **Assets, Deferred Outflows of Resources, Liabilities and Net Position**

### **Cash Equivalents**

For purposes of the statement of cash flows, cash and cash equivalents have original maturities of three months or less from the date of acquisition.

### **Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable are stated at the amount billed to members. Allowance for doubtful accounts is not considered necessary as IMEA has not historically experienced delays in payments for service rendered.

### **Renewable Energy Credits**

Energy credits consist of renewable energy credits (RECs) held for sale and are valued at current market value. The RECs are obtained through the purchase of renewable energy resources.

### **Prepayments**

The amount in prepaid items represents amounts paid which will benefit future periods, IMEA's payment for collateral for operating activities in the MISO and PJM transmission markets and advance payments to Trimble County and Prairie State for working capital.

### **Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

### **Prairie State, Other Long-Term Asset**

Other long-term assets are comprised of the assets related to the prepayments made on a long-term parts agreement and collateral paid toward a self-insurance fund.

### **Regulatory Costs for Future Recovery**

Expenses incurred and paid in the current and prior periods in which the benefit of the expense will be recovered and realized in future periods in accordance with GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. See Note 9 for further discussion related to assets.

### **Unrealized Gains and Loss on Investments**

Management has elected the use of regulatory accounting for its unrealized gains and losses on investments. Changing market gains and losses are not recognized as investment income until such time investments are sold or mature. Net unrealized gains and losses are reported as other assets on the Statement of Net Position.

### **Utility Plant**

Utility plant is generally defined by IMEA as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year, except for jointly owned assets. In these cases, utility plant is capitalized based on policies defined by Louisville Gas & Electric Company and Prairie State Generating Company.

## Illinois Municipal Electric Agency

Notes to Financial Statements

April 30, 2025 and 2024

Utility plant of IMEA is recorded at cost or the estimated acquisition value at the time of contribution to IMEA. Major outlays for utility plant are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the utility plant constructed, net of interest earned on the invested proceeds over the same period. Utility plant is depreciated using the straight-line method over the following useful lives:

	<u>Years</u>
Utility Plant:	
Electric plant, Trimble County Units No. 1 and 2	20-53
Electric plant, Prairie State Units No. 1 and 2	40
Mobile generation	30
Land	-
Land improvements	10
Office building	10-31.5
Office furniture and equipment	5
Supervisory control and data acquisition equipment	5
Winnetka 138 interconnect	30
Other equipment	5

Coal reserves are depleted as the commodity is consumed using a rate which is based upon the cost to IMEA divided by the total estimated coal to be mined.

### Deferred Outflow of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources expense until that future time.

### Loss on Refunding

The deferred change resulting from the refunding of debt is amortized over the shorter of the term of the refunding issue or the original term of the refunded debt.

### Payables and Other Current Liabilities

Accounts payable represents current liabilities for power, jointly owned facilities and other payables. Other current liabilities represent accrued vacation benefits and accrued property taxes payable.

### Other Liabilities

Other liabilities represent accrued sick leave, MISO ARR credit (Note 9) and asset retirement obligation (Note 7). Under terms of employment, employees are granted one day of sick leave per month. One-half of accumulated sick leave benefits are paid if the employee terminates service after at least 10 years of service. Accumulated sick leave and vacation benefits have been recorded in the financial statements.

### Long-Term Obligations

Long-term debt and other obligations are reported as liabilities. Bond discounts and premiums are amortized over the life of the bonds using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The balance at year-end for premiums and discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year-end for the loss on refunding is shown as a deferred outflow in the statement of net position.

# Illinois Municipal Electric Agency

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Notes to Financial Statements

April 30, 2025 and 2024

## Revenues and Expenses

IMEA distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with IMEA's principal ongoing operations. The principal operating revenues of IMEA are charges to members for sales and services. Operating expenses for IMEA include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

IMEA billings are rendered and recorded monthly based on month-end metered usage.

## Bond Subsidy Revenue and Receivable

This amount represents the accrued amount receivable under the Build America Bond Program (BAB) which provides a 35% subsidy for interest expense on the Series 2009 and 2010 revenue bond issues. The interest expense reduction is classified as nonoperating revenue.

The United States Federal Government was subject to the process of sequestration for the budget year ending September 30, 2025 and 2024 whereby foreseeable spending reductions for many Federal programs, including issuers of the BAB's, may directly affect the recovery of the BAB's subsidy. See Note 6 for further details.

## Taxes

IMEA is exempt from State and Federal income taxes.

## Rates

Rates charged to members are approved by the Board of Directors and were increased January 1, 2025. The approved rate includes adjustment clauses which are calculated monthly based on cost to serve member load.

## Effect of New Accounting Standards on Current Period Financial Statements

GASB has approved Statement No. 102, *Certain Risk Disclosures* and Statement No. 103, *Financial Reporting Model Improvements* and Statement No. 104, *Disclosure of Certain Capital Assets*. When they become effective, application of these standards may restate portions of these financial statements.

## Comparative Data

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

# Illinois Municipal Electric Agency

Notes to Financial Statements

April 30, 2025 and 2024

## 2. Cash and Investments

IMEA's cash and investments consist of the following:

	Carrying Value as of April 30		Associated Risk
	2025	2024	
The Illinois Funds	\$ 58,928,228	\$ 51,191,265	Credit and interest rate
U.S. agency securities, implicitly guaranteed	14,548,330	24,019,400	Custodial credit, credit, concentration of credit and interest rate
U.S. treasuries	123,115,321	109,677,559	Custodial credit and interest rate
Money market fund	1,295,904	1,783,971	Custodial credit
Checking and savings	27,334,441	22,824,346	Custodial credit
Petty cash	500	500	Not applicable
Total	<u>\$ 225,222,724</u>	<u>\$ 209,497,041</u>	

IMEA's Trust Indenture authorizes IMEA to deposit funds only in banks insured by the Federal Deposit Insurance Corporation (FDIC). IMEA may also make investments in U.S. Government and federal agency obligations, investment grade bonds, commercial paper rated at the highest classification established by at least two standard rating services, money market mutual funds, repurchase agreements and The Illinois Funds.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in the fair value section of this note. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Fair values may have changed significantly after year-end.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts and \$250,000 for demand deposit accounts (interest and noninterest bearing). Investments in The Illinois Funds are covered under securities pledged for all pool participants. The difference between the bank balance and carrying value is due to outstanding checks, deposits in transit and/or market value adjustments.

### Custodial Credit Risk

#### Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, IMEA's deposits may not be returned to IMEA. IMEA's investment policy requires collateralization of deposits above the amount insured by the FDIC. IMEA does not have any deposits exposed to custodial credit risk as of April 30, 2025 and 2024.

#### Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, IMEA will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All investments held as of April 30, 2025 and 2024, were considered to be in risk category one (investments held in trust on behalf of IMEA), therefore, not subject to custodial credit risk. IMEA's investment policy requires all investment securities be held by its agent in IMEA's name.

## Illinois Municipal Electric Agency

### Notes to Financial Statements

April 30, 2025 and 2024

#### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of April 30, 2025 IMEA's investments were rated as follows:

Investment Type	Standard & Poor's	Moody's	Fitch
U.S. agency securities	AA+	Aaa	-
The Illinois funds	-	-	AAAmf

As of April 30, 2024 IMEA's investments were rated as follows:

Investment Type	Standard & Poor's	Moody's	Fitch
U.S. agency securities	AA+	Aaa	-
The Illinois funds	-	-	AAAmf

IMEA's investment policy requires that all investments be rated in highest or second highest categories by the national rating agencies.

#### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of IMEA's investment in a single issuer.

As of April 30, 2025 and 2024, IMEA's investment portfolio was concentrated as follows:

Issuer	Investment Types	Percentage of Portfolio	
		2025	2024
Federal Home Loan Bank Federal Farm Credit Banks Funding Corporation	U.S. agency securities, implicitly guaranteed	0%	8%
	U.S. agency securities, implicitly guaranteed	11	10

IMEA's investment policy states that no more than 50% of the total portfolio may be invested in one type of investment with the exception of the U.S. government and its agencies.

## Illinois Municipal Electric Agency

Notes to Financial Statements

April 30, 2025 and 2024

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

As of April 30, 2025 IMEA's investments were as follows:

	Maturity (In Years)			
	Fair Value	Less than 1	1-5	Over 5
U.S. agency securities	\$ 14,548,330	\$ 5,379,016	\$ 9,169,314	\$ -
U.S. treasuries	123,115,321	52,540,245	63,580,546	6,994,530
Total	<u>\$ 137,663,651</u>	<u>\$ 57,919,261</u>	<u>\$ 72,749,860</u>	<u>\$ 6,994,530</u>

IMEA also has \$58,928,228 invested in The Illinois Funds, which are valued at amortized cost. The average maturity of The Illinois Funds is 120 days.

As of April 30, 2024 IMEA's investments were as follows:

	Maturity (In Years)			
	Fair Value	Less than 1	1-5	Over 5
U.S. agency securities	\$ 24,019,400	\$ 10,931,515	\$ 13,087,885	\$ -
U.S. treasuries	109,677,559	77,917,418	25,064,111	6,696,030
Total	<u>\$ 133,696,959</u>	<u>\$ 88,848,933</u>	<u>\$ 38,151,996</u>	<u>\$ 6,696,030</u>

IMEA also has \$51,191,265 invested in The Illinois Funds, which are valued at amortized cost. The average maturity of The Illinois Funds is 120 days.

IMEA's investment policy states that investment securities should not mature later than the monies will be needed for the respective use.

### Fair Value

IMEA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

## Illinois Municipal Electric Agency

### Notes to Financial Statements

April 30, 2025 and 2024

The valuation methods for recurring fair value measurements as of April 30, 2025 and 2024 are as follows:

- Market approach - matrix pricing or market collaborative pricing

As of April 30, 2025 IMEA's fair values were rated as follows:

Investment Type	Total	Level 1	Level 2
U.S. agency securities:	\$ 14,548,330	\$ -	\$ 14,548,330
U.S. treasuries	123,115,321	123,115,321	-
Total	<u>\$ 137,663,651</u>	<u>\$ 123,115,321</u>	<u>\$ 14,548,330</u>

As of April 30, 2024 IMEA's fair values were rated as follows:

Investment Type	Total	Level 1	Level 2
U.S. agency securities:	\$ 24,019,400	\$ -	\$ 24,019,400
U.S. treasuries	109,677,559	109,677,559	-
Total	<u>\$ 133,696,959</u>	<u>\$ 109,677,559</u>	<u>\$ 24,019,400</u>

### 3. Jointly-Owned Facilities

#### Trimble County Unit No. 1

Pursuant to an ownership agreement entered into in September 1990, IMEA acquired an undivided 12.12% ownership interest (approximately 62 MW), as tenant in common, in the Trimble County Unit No. 1 generating facility from Louisville Gas and Electric Company. Trimble County Unit 1 is a 514 MW subcritical pulverized coal fired unit.

#### Trimble County Unit No. 2

Trimble County Unit 2, which was placed into commercial operation in January 2011, is a pulverized-coal super-critical unit of 750 MW nominal net rating located adjacent to Trimble County Unit 1. IMEA owns a 12.12% (approximately 91 MW) undivided interest as tenant in common in the unit.

#### Prairie State Project

IMEA is part of the consortium known as the Prairie State Generating Company, LLC that developed the Prairie State Project. IMEA owns a 15.17% (approximately 240 MW) undivided interest in the project. The Prairie State Project is a nominal 1,600 MW plant, utilizing two supercritical steam units of approximately 800 MW in size. Prairie State includes contiguous coal reserves and the operation of a coal mine to supply coal to the power plant. The first unit was placed into commercial operation in June 2012 and the second unit was placed into commercial operation in November 2012.

IMEA's share of the operating costs associated with these joint owned facilities are included in the accompanying financial statements.

# Illinois Municipal Electric Agency

Notes to Financial Statements

April 30, 2025 and 2024

## 4. Funds

IMEA's Trust Indenture requires the segregation of bond proceeds, establishment of various funds and prescribes the application of IMEA's revenues. Also, it defines what type of securities that IMEA may invest in. Funds consist principally of cash, money market funds, federal securities and investments in The Illinois Funds. The fund's purposes and balances are summarized below.

Fund	Held By	Purpose
Revenue	IMEA	To initially receive revenues and to disburse them to other accounts.
Operations and Maintenance	IMEA	To pay operating and maintenance expenses.
Renewals and Replacements	IMEA	To provide funds to be applied to the payment of the costs of renewals, replacements and repairs.
General Reserve	IMEA	To receive surplus funds after all other accounts are funded.
Rate Stabilization	IMEA	To accumulate any revenues in excess of the 10% debt service coverage requirement which will be used to minimize rate fluctuations in the future.
Debt Service Account	Trustee	To accumulate principal and interest associated with each bond series.
Debt Service Reserve Account	Trustee	To establish a reserve to cover deficiencies in the Debt Service Account. Any excess may be used for other purposes.

The indenture requires that certain cash and investments be segregated. The following are accounts included in current and restricted assets at April 30, 2025 and 2024.

	2025	2024
Included in current assets:		
Operation and maintenance	\$ 64,396,430	\$ 53,200,482
Renewals and replacements	2,363,143	2,336,475
General reserve	14,590,964	11,233,022
Rate stabilization	45,500,000	45,500,000
General cash (not restricted by indenture)	500	500
Total current cash and investments	<u>\$ 126,851,037</u>	<u>\$ 112,270,479</u>
Included in restricted investment accounts:		
Debt service	\$ 20,863,516	\$ 21,082,206
Debt service reserve	77,508,171	76,144,356
Total restricted cash and investments	<u>\$ 98,371,687</u>	<u>\$ 97,226,562</u>

# Illinois Municipal Electric Agency

Notes to Financial Statements  
April 30, 2025 and 2024

## 5. Changes in Utility Plant

A summary of changes in utility plant for 2025 follows:

	Balance 5/1/24	Additions/ Reclassifications	Deletions/ Reclassifications	Balance 4/30/25
Utility plant being depreciated electric plant :				
Trimble County Unit No. 1	\$ 133,676,283	\$ 748,148	\$ (1,248,964)	\$ 133,175,467
Trimble County Unit No. 2	245,816,695	2,219,898	-	248,036,593
Prairie State Unit No. 1	356,938,843	-	-	356,938,843
Prairie State Unit No. 2	328,705,858	476,174	(316,930)	328,865,102
Mobile generation	3,214,845	1,764	-	3,216,609
Prairie State, Common	151,521,315	161,079	-	151,682,394
Prairie State, Jordan Grove	1,259,038	55,340	(9,954)	1,304,424
Prairie State, Nearfield	14,402,086	1,105,136	-	15,507,222
Prairie State, Other	7,632,616	-	-	7,632,616
Prairie State, Mine	49,932,862	2,657,820	(359,289)	52,231,393
Prairie State, Coal Reserves	17,372,369	-	-	17,372,369
Land <sup>1</sup>	5,966,369	-	-	5,966,369
Office building	8,762,714	49,817	-	8,812,531
Office furniture and equipment	554,209	-	(1,634)	552,575
Supervisory control and data acquisition equipment	2,683,116	47,769	-	2,730,885
Winnetka 138 interconnect	500,000	-	-	500,000
Other equipment	510,362	120,483	(73,981)	556,864
Total utility plant in service	1,329,449,580	7,643,428	(2,010,752)	1,335,082,256
Construction work in progress <sup>1</sup>	37,891,445	10,547,603	(7,358,301)	41,080,747
Total utility plant	1,367,341,025	18,191,031	(9,369,053)	1,376,163,003
Less accumulated depreciation electric plant:				
Trimble County Unit No. 1	(78,628,831)	(3,694,722)	1,248,964	(81,074,589)
Trimble County Unit No. 2	(66,183,967)	(6,587,433)	-	(72,771,400)
Prairie State Unit No. 1	(102,768,467)	(8,923,471)	-	(111,691,938)
Prairie State Unit No. 2	(91,943,848)	(8,213,691)	316,930	(99,840,609)
Mobile generation	(2,287,504)	(107,215)	-	(2,394,719)
Prairie State, Common	(43,390,267)	(3,791,186)	-	(47,181,453)
Prairie State, Jordan Grove	(1,199,894)	-	462,700	(737,194)
Prairie State, Nearfield	(3,049,809)	(371,697)	-	(3,421,506)
Prairie State, Other	(4,411,310)	(381,631)	-	(4,792,941)
Prairie State, Mine	(32,338,805)	(3,447,415)	359,289	(35,426,931)
Prairie State, Coal Reserves	(5,975,904)	(546,969)	-	(6,522,873)
Office building	(4,409,596)	(314,965)	-	(4,724,561)
Office furniture and equipment	(489,261)	(16,799)	1,634	(504,426)
Supervisory control and data acquisition equipment	(2,532,514)	(56,938)	-	(2,589,452)
Winnetka 138 interconnect	(461,113)	(16,667)	-	(477,780)
Other equipment	(407,720)	(48,979)	65,329	(391,370)
Total accumulated depreciation	(440,478,810)	(36,519,778)	2,454,846	(474,543,742)
Net utility plant	<u>\$ 926,862,215</u>			<u>\$ 901,619,261</u>

<sup>1</sup> Utility plant that is not being depreciated.

# Illinois Municipal Electric Agency

## Notes to Financial Statements

April 30, 2025 and 2024

A summary of changes in utility plant for 2024 follows:

	Balance 5/1/23	Additions/ Reclassifications	Deletions/ Reclassifications	Balance 4/30/24
Utility plant being depreciated				
electric plant :				
Trimble County Unit No. 1	\$ 133,818,115	\$ 2,801,181	\$ (2,943,013)	\$ 133,676,283
Trimble County Unit No. 2	198,292,555	47,524,140	-	245,816,695
Prairie State Unit No. 1	356,771,463	316,898	(149,518)	356,938,843
Prairie State Unit No. 2	328,705,858	-	-	328,705,858
Mobile generation	3,214,845	-	-	3,214,845
Prairie State, Common	151,460,309	227,642	(166,636)	151,521,315
Prairie State, Jordan Grove	1,385,270	-	(126,232)	1,259,038
Prairie State, Nearfield	14,440,440	-	(38,354)	14,402,086
Prairie State, Other	7,833,412	-	(200,796)	7,632,616
Prairie State, Mine	45,305,436	4,830,060	(202,634)	49,932,862
Prairie State, Coal Reserves	17,372,369	-	-	17,372,369
Land <sup>1</sup>	5,966,369	-	-	5,966,369
Office building	8,656,954	105,760	-	8,762,714
Office furniture and equipment	577,584	25,184	(48,559)	554,209
Supervisory control and data acquisition equipment	2,618,485	66,175	(1,544)	2,683,116
Winnetka 138 interconnect	500,000	-	-	500,000
Other equipment	497,071	66,532	(53,241)	510,362
Total utility plant in service	1,277,416,535	55,963,572	(3,930,527)	1,329,449,580
Construction work in progress <sup>1</sup>	82,252,010	11,220,834	(55,581,399)	37,891,445
Total utility plant	1,359,668,545	67,184,406	(59,511,926)	1,367,341,025
Less accumulated depreciation				
electric plant:				
Trimble County Unit No. 1	(77,666,382)	(3,905,462)	2,943,013	(78,628,831)
Trimble County Unit No. 2	(59,827,175)	(6,356,792)	-	(66,183,967)
Prairie State Unit No. 1	(93,999,133)	(8,918,852)	149,518	(102,768,467)
Prairie State Unit No. 2	(83,726,202)	(8,217,646)	-	(91,943,848)
Mobile generation	(2,180,332)	(107,172)	-	(2,287,504)
Prairie State, Common	(39,771,200)	(3,785,703)	166,636	(43,390,267)
Prairie State, Jordan Grove	(1,352,989)	-	153,095	(1,199,894)
Prairie State, Nearfield	(2,689,118)	(360,691)	-	(3,049,809)
Prairie State, Other	(4,230,475)	(381,631)	200,796	(4,411,310)
Prairie State, Mine	(29,477,694)	(3,063,745)	202,634	(32,338,805)
Prairie State, Coal Reserves	(5,411,293)	(564,611)	-	(5,975,904)
Office building	(4,123,630)	(285,966)	-	(4,409,596)
Office furniture and equipment	(524,382)	(13,438)	48,559	(489,261)
Supervisory control and data acquisition equipment	(2,461,460)	(72,598)	1,544	(2,532,514)
Winnetka 138 interconnect	(444,447)	(16,666)	-	(461,113)
Other equipment	(399,557)	(45,256)	37,093	(407,720)
Total accumulated depreciation	(408,285,469)	(36,096,229)	3,902,888	(440,478,810)
Net utility plant	\$ 951,383,076			\$ 926,862,215

<sup>1</sup> Utility plant that is not being depreciated.

## Illinois Municipal Electric Agency

### Notes to Financial Statements

April 30, 2025 and 2024

## 6. Long-Term Obligations

IMEA has issued the following revenue bonds:

<u>Date</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Outstanding Amount 4/30/25</u>
July 15, 2009	Debt service and capital improvements *	Feb. 1, 2035	5.33-6.13%	\$294,755,000	\$179,160,000
Nov. 30, 2010	Debt service and capital improvements *	Feb. 1, 2035	2.47-7.29	140,290,000	77,035,000
April 1, 2015	Refunding 2006 and 2007A bonds	Feb. 1, 2035	4.00-5.00	594,685,000	387,405,000

\* The 2009C and 2010A revenue bonds are taxable Build America Bonds. IMEA receives a 35% interest subsidy from the federal government for these bonds. During Federal fiscal years 2025 and 2024, the U.S. federal government was subject to the process of sequestration reducing spending amounts for many programs including payments to the issuers of BAB's. A 5.7% reduction in payments for the federal budget year ended September 30, 2025 and 2024, was experienced. The subsidy payment is not taken into account in the debt service displayed below.

The annual debt service and sinking fund requirements of the remaining bonds to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Years ending April 30:			
2026	\$ 51,725,000	\$ 35,867,222	\$ 87,592,222
2027	54,215,000	32,871,461	87,086,461
2028	56,805,000	29,732,542	86,537,542
2029	59,550,000	26,444,687	85,994,687
2030	62,410,000	22,999,139	85,409,139
2031-2035	<u>358,895,000</u>	<u>58,604,383</u>	<u>417,499,383</u>
Total	<u>\$ 643,600,000</u>	<u>\$ 206,519,434</u>	<u>\$ 850,119,434</u>

Repayment of the bonds is secured by a pledge of IMEA's revenues.

IMEA's outstanding revenue bonds contain event of default provisions with possible finance-related consequences. IMEA's management has evaluated the event of default provisions with possible finance-related consequences and in the opinion of IMEA's management; the likelihood is remote that these provisions will have a significant effect on IMEA's financial position or results of operations.

## Illinois Municipal Electric Agency

### Notes to Financial Statements

April 30, 2025 and 2024

#### Committed Line of Credit

On October 29, 2010, IMEA entered into a \$25 million Committed Line of Credit agreement (LOC Agreement) with PNC Bank. Under the LOC Agreement, IMEA may draw funds and/or post standby letters of credit. The LOC Agreement was increased to \$50 million on September 1, 2012 and expires on October 31, 2027. IMEA had \$0 outstanding under the LOC Agreement as of April 30, 2025 and April 30, 2024.

Long-term obligation activity for the year ended April 30, 2025 is as follows:

	<b>Balance 5/1/24</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 4/30/25</b>	<b>Due Within One Year</b>
Revenue bonds	\$ 693,605,000	\$ -	\$ 50,005,000	\$ 643,600,000	\$ 51,725,000
Unamortized premium	28,258,722	-	4,466,005	23,792,717	-
Other liabilities	15,657,903	248,014	2,677,026	13,228,891	-
<b>Total</b>	<b>\$ 737,521,625</b>	<b>\$ 248,014</b>	<b>\$ 57,148,031</b>	<b>\$ 680,621,608</b>	<b>\$ 51,725,000</b>

Long-term obligation activity for the year ended April 30, 2024 is as follows:

	<b>Balance 5/1/23</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 4/30/24</b>	<b>Due Within One Year</b>
Revenue bonds	\$ 741,355,000	\$ -	\$ 47,750,000	\$ 693,605,000	\$ 50,005,000
Line of credit agreement	2,000,000	-	2,000,000	-	-
Unamortized premium	33,040,821	-	4,782,099	28,258,722	-
Other liabilities	23,251,496	89,056	7,682,649	15,657,903	-
<b>Total</b>	<b>\$ 799,647,317</b>	<b>\$ 89,056</b>	<b>\$ 62,214,748</b>	<b>\$ 737,521,625</b>	<b>\$ 50,005,000</b>

#### 7. Accounting for Asset Retirement Obligations

An asset retirement obligation represents a legal obligation associated with the retirement of a tangible, long-lived asset that is incurred upon the acquisition, construction, development or normal operation of that long-lived asset.

The asset retirement obligation includes the closure of ash ponds at the Trimble County plant site and mine closure and mine reclamation at the Prairie State Generating facility. Other asset retirement obligations are not significant to these financial statements. IMEA used estimated cash flows to determine the obligation.

## Illinois Municipal Electric Agency

Notes to Financial Statements

April 30, 2025 and 2024

The following table presents the details of IMEA's asset retirement obligations, which are included on the balance sheet in other noncurrent liabilities:

<b>Balance 5/1/24</b>	<b>Liabilities Incurred (Adjustments)</b>	<b>Accretion</b>	<b>Costs Incurred</b>	<b>Balance 4/30/25</b>
\$ 14,881,465	\$ (683,642)	\$ 741,767	\$ (2,647,877)	\$ 12,291,713

<b>Balance 5/1/23</b>	<b>Liabilities Incurred (Adjustments)</b>	<b>Accretion</b>	<b>Costs Incurred</b>	<b>Balance 4/30/24</b>
\$ 15,643,662	\$ (103,031)	\$ 782,192	\$ (1,441,358)	\$ 14,881,465

### 8. Net Position

GASB No. 34 requires the classification of net position into three components - net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

**Net Investment in Capital Assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

**Restricted** - This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

**Unrestricted Net Position** - This component of net position consists of net positions that do not meet the definition of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for use, it is IMEA's policy to use restricted resources first, then unrestricted resources as they are needed.

## Illinois Municipal Electric Agency

### Notes to Financial Statements

April 30, 2025 and 2024

The following calculation supports the net investment in capital assets:

	<b>2025</b>	<b>2024</b>
Utility plant in service	\$ 1,335,082,256	\$ 1,329,449,580
Accumulated depreciation	(474,543,742)	(440,478,810)
Construction work in progress	41,080,747	37,891,445
Subtotal	901,619,261	926,862,215
Less capital-related debt:		
Current portion of capital related long-term debt	51,725,000	50,005,000
Long-term portion of capital related long-term debt	591,875,000	643,600,000
Unamortized loss on advance refunding	(12,657,477)	(15,033,344)
Unamortized premium	23,792,717	28,258,722
Subtotal	654,735,240	706,830,378
Add unspent debt proceeds:		
Debt service reserve from borrowing	77,508,171	76,144,356
Total net investment in capital assets	\$ 324,392,192	\$ 296,176,193

The following calculation supports the amount of restricted net position:

	<b>2025</b>	<b>2024</b>
Restricted investments	\$ 98,371,687	\$ 97,226,562
Less restricted assets not funded by revenues:		
Debt service reserve account	(77,508,171)	(76,144,356)
Current liabilities payable from restricted assets	(8,818,185)	(9,570,392)
Subtotal	(86,326,356)	(85,714,748)
Total restricted net position as calculated	\$ 12,045,331	\$ 11,511,814

# Illinois Municipal Electric Agency

Notes to Financial Statements

April 30, 2025 and 2024

## 9. Regulatory Items

IMEA has chosen to use the application of GASB No. 62 to recover certain costs in customer rates in future periods. Regulatory costs for future recovery include unamortized debt issuance costs; unrealized loss (gain) on investments represents the difference between an investment's cost and the current fair value of the asset. The residual value of the impaired assets are reported in IMEA capital assets. Regulatory credits include MISO ARR credits related to auction revenue rights that were higher than anticipated during rate setting. The following summarizes activity for regulatory items:

	<b>Balance 5/1/24</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 4/30/25</b>
Regulatory costs for future recovery	\$ 1,443,722	\$ -	\$ 228,747	\$ 1,214,975
Unrealized (gain)/loss on investments	1,522,305	-	2,299,097	(776,792)
<b>Total</b>	<b>\$ 2,966,027</b>	<b>\$ -</b>	<b>\$ 2,527,844</b>	<b>\$ 438,183</b>

	<b>Balance 5/1/23</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 4/30/24</b>
Regulatory costs for future recovery	\$ 1,688,727	\$ -	\$ (245,005)	\$ 1,443,722
Unrealized (gain)/loss on investments	641,238	881,067	-	1,522,305
MISO ARR credits	(6,909,337)	-	6,909,337	-
<b>Total</b>	<b>\$ (4,579,372)</b>	<b>\$ 881,067</b>	<b>\$ 6,664,332</b>	<b>\$ 2,966,027</b>

## 10. Employee Retirement Plan

IMEA's employees are covered by the Illinois Municipal Electric Agency Pension Plan, a defined contribution pension plan with a 5-year vesting schedule. Benefit provisions and all other requirements are established by the board of IMEA. IMEA contributes 25% of eligible employee earnings on behalf of each employee. Employees that terminate service prior to being fully vested, forfeit the unvested portion of their account balance, which is applied to future contributions to the plan. Total pension expense was equal to total contributions to the plan made by IMEA, net of applied forfeitures. For the years ended April 30, 2025 and 2024 total contributions were \$1,200,000 and \$1,018,000, respectively.

## 11. Contracts and Commitments

IMEA has long-term and short-term contracts and commitments with various wholesale power suppliers to supply energy, capacity and transmission services to its members. These contracts vary in length and have flexible terms and cancellation provisions. These contracts may be material to the financial statements.

In the normal course of business, IMEA may be involved in various disputes with other parties. While management cannot predict the ultimate outcome of these disputes, total exposure is not material to IMEA's financial position or results of operation.

## 12. Illinois Senate Bill (SB) 2408

In 2021, Illinois passed SB 2408, the Climate and Equitable Jobs Act (CEJA). The CEJA requires a 45% reduction in existing publicly owned Illinois power plant carbon dioxide emissions by January 1, 2035. If such reduction is not met by December 31, 2035, then the plant must retire one or more units or otherwise reduce carbon dioxide emissions by 45% by June 30, 2038. The CEJA further requires all publicly owned coal-fired generating units to permanently reduce carbon dioxide emission to 0 by December 31, 2045.

The CEJA does, however, provide that if the reduction of output from or the closing of any plant creates a power grid supply or reliability shortfall in the State of Illinois the plant can continue to operate until the reliability can otherwise be addressed. In the past, Illinois has been a net capacity importer. With the announced and required retirements, there is potential that Illinois will need to import more capacity into the future.

The CEJA has a limited future impact on IMEA's ownership share of the Prairie State Generating Company, LLC (PSGC or Prairie State). The CEJA will not adversely affect IMEA's ability to pay bondholders due to all bonds maturing on February 1, 2035 or to reliably provide members with their power supply requirements. IMEA and the other owners of Prairie State have and continue to develop plans to manage the potential impacts of the CEJA. Potential impacts cannot be gauged with certainty at this time.

## 13. Sierra Club Lawsuit

IMEA holds a 15.17% undivided ownership interest in the Prairie State Energy Campus (PSEC) which is operated through the Prairie State Generating Company (PSGC). On October 20, 2022, the PSGC received a Notice of Intent (NOI) to file suit from the Sierra Club (SC) alleging violations of the Federal Clean Air Act. The NOI to PSGC allowed SC to file suit on or after December 19, 2022. On March 22, 2023, the SC filed a suit against PSGC. The SC alleges that PSEC is in violation of the Federal Clean Air Act because it does not have a Title V permit from the Illinois Environmental Protection Agency (IEPA). PSEC however does have and is believed to be operating legally under its Prevention of Significant Deterioration (PSD) permit from the IEPA. On April 16, 2025, Sierra Club and Prairie State filed a joint Stipulation of Dismissal with Prejudice. The U.S. District Court for Southern Illinois accepted the joint stipulation. Stipulation of dismissal is effective immediately upon filing and does not require judicial approval.

## 14. Emission Regulations

On May 9, 2024, the U.S. Environmental Protection Agency (USEPA) issued rules governing greenhouse gas emissions, effluent limitations from coal-fired power plants and ozone standards. These rules are facing many legal challenges, also numerous motions to stay the new rules have been filed. If these new rules survive legal challenge, then they may have an impact on IMEA's generation sources. IMEA continues to monitor these proceedings and will take appropriate action concerning the rules, as necessary.

## 15. Significant Customers

IMEA has two significant customers who were responsible for 48% of operating revenue in both 2025 and 2024.

## **Illinois Municipal Electric Agency**

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Notes to Financial Statements

April 30, 2025 and 2024

### **16. Risk Management**

IMEA is exposed to various risks of loss related to torts, theft of, damage to or destruction of assets, errors and omissions, workers compensation and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.



# **Reporting and insights from the 2025 audit:**

Illinois Municipal Electric Agency  
Springfield, Illinois

April 30, 2025

# Executive summary

July 28, 2025

Board of Directors  
Illinois Municipal Electric Agency  
3400 Conifer Drive  
Springfield, IL 62711

We have completed our audit of the financial statements of Illinois Municipal Electric Agency (IMEA) for the year ended April 30, 2025, and have issued our report thereon dated July 28, 2025. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of IMEA's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

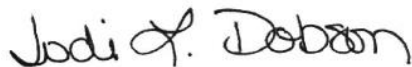
Additionally, we have included information on key risk areas IMEA should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

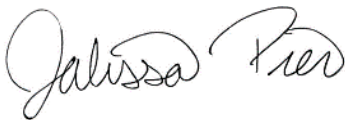
- Jodi Dobson, Principal: [jodi.dobson@bakertilly.com](mailto:jodi.dobson@bakertilly.com) or +1 (608) 240 2469
- Jalissa Pier, Senior Manager: [jalissa.pier@bakertilly.com](mailto:jalissa.pier@bakertilly.com) or +1 (608) 240 2601

Sincerely,

Baker Tilly US, LLP



Jodi Dobson, CPA, Principal



Jalissa Pier, CPA, Senior Manager

THIS COMMUNICATION IS INTENDED SOLELY FOR THE INFORMATION AND USE OF THOSE CHARGED WITH GOVERNANCE, AND, IF APPROPRIATE, MANAGEMENT, AND IS NOT INTENDED TO BE AND SHOULD NOT BE USED BY ANYONE OTHER THAN THESE SPECIFIED PARTIES.

BAKER TILLY ADVISORY GROUP, LP AND BAKER TILLY US, LLP, TRADING AS BAKER TILLY, ARE MEMBERS OF THE GLOBAL NETWORK OF BAKER TILLY INTERNATIONAL LTD., THE MEMBERS OF WHICH ARE SEPARATE AND INDEPENDENT LEGAL ENTITIES. BAKER TILLY US, LLP IS A LICENSED CPA FIRM THAT PROVIDES ASSURANCE SERVICES TO ITS CLIENTS. BAKER TILLY ADVISORY GROUP, LP AND ITS SUBSIDIARY ENTITIES PROVIDE TAX AND CONSULTING SERVICES TO THEIR CLIENTS AND ARE NOT LICENSED CPA FIRMS.

# Responsibilities

## Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of IMEA's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of the Board of Directors:
  - Are free from material misstatement
  - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America
- Our audit does not relieve management or the Board of Directors of their responsibilities.

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of the Board of Directors, including:

- Internal control matters
- Qualitative aspects of IMEA's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditors' report
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Other audit findings or issues

# Audit status

## Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

# Audit approach and results

## Planned scope and timing

### Audit focus

Based on our understanding of IMEA and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about IMEA's current year results.

## Key areas of focus and significant findings

### Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion
Improper revenue recognition due to fraud	Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on non-financial data and substantive testing of related receivables	Procedures identified provided sufficient evidence for our audit opinion

Other areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Asset retirement obligations	Long-term debt
Capital assets including infrastructure	Net position calculations	Financial reporting and required disclosures
Regulatory assets and liabilities		

Internal control matters

We considered IMEA’s internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of IMEA’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

# Required communications

## Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by IMEA are described in Note 1 to the financial statements. As described in Note 1, IMEA changed accounting policies related to compensated absences by adopting GASB 101 in 2025. We noted no transactions entered into by IMEA during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Asset retirement obligation	Evaluation of information provided by Prairie State and Trimble County for IMEA's proportionate share of their Facilities, and internal estimates from subject matter experts for other AROs	Reasonable in relation to the financial statements as a whole

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

## Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for IMEA or that otherwise appear to be unusual due to their timing, size or nature.

## Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

## **Disagreements with management**

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

## **Audit report**

There have been no departures from the auditors' standard report.

## **Audit consultations outside the engagement team**

We encountered no difficult or contentious matters for which we consulted outside of the engagement team.

## **Uncorrected misstatements and corrected misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements identified.

## **Other audit findings or issues**

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as IMEA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## **Management's consultations with other accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

## **Written communications between management and Baker Tilly**

The attachments include copies of other material written communications, including a copy of the management representation letter.

## **Compliance with laws and regulations**

We did not identify any non-compliance with laws and regulations during our audit.

## **Fraud**

We did not identify any known or suspected fraud during our audit.

## **Going concern**

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of IMEA's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date of the financial statements, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

## **Independence**

We are not aware of any relationships between Baker Tilly and IMEA that, in our professional judgment, may reasonably be thought to bear on our independence.

## **Related parties**

We did not have any significant findings or issues arise during the audit in connection with IMEA's related parties.

## **Other matters**

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

## **Nonattest services**

The following nonattest services were provided by Baker Tilly:

- Financial statement preparation assistance

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

*\*Nonattest services are provided by Baker Tilly Advisory Group, LP.*

# Audit committee resources

Our business is to know every aspect of yours and to maintain a constant lookout for what's next. We invite you to learn about some of the trending challenges and opportunities for public sector organizations like yours and how Baker Tilly can help.

To explore more trending topics and regulatory updates, visit our resource page at <https://www.bakertilly.com/insights/audit-committee-resource-page>.



## Funding evaluation and pursuit

Public sector organizations may be eligible for grants, tax credits and other financial incentives through funding opportunities such as the Inflation Reduction Act, the Clean Communities Investment Accelerator, and the Infrastructure Investment and Jobs Act.

Baker Tilly can help you navigate, understand and pursue various federal and state funding sources through grant research and tracking, advising and writing, and management and compliance services.



## Digital transformation

Digitizing public services can be a game changer for governments. Streamlining inefficient processes, providing digital access and delivery of services to meet public expectations, implementing technology to protect constituent data, leveraging information to make data-driven decisions and migrating outdated on-premises systems to the cloud are crucial to an entity's success.

Through these types of digital services, Baker Tilly can help you scale with future demand and be better positioned to rapidly respond to changing demands.



## Cybersecurity

Public sector organizations face significant challenges from cyber threats and IT regulations. It can feel like you are on the defense keeping up with the latest risks, regulations and emerging trends. To mitigate risk, you must understand your organization's unique vulnerabilities, cybersecurity processes and controls.

Baker Tilly can help enhance your cybersecurity posture and ensure compliance with solutions in IT compliance and security and cybersecurity and data protection to safeguard your data and navigate complex risk environments.

# Management representation letter



Illinois Municipal Electric Agency  
3400 Conifer Drive, Springfield, IL 62711  
217-789-4632 / Fax 217-789-4642

July 28, 2025

Baker Tilly US, LLP  
4807 Innovate Ln  
P.O. Box 7398  
Madison, WI 53707-7398

Dear Baker Tilly US, LLP:

We are providing this letter in connection with your audit of the financial statements of the Illinois Municipal Electric Agency as of April 30, 2025 and 2024 and for the years then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Illinois Municipal Electric Agency and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America (GAAP). We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

#### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 7, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all properly classified funds and other financial information of the utility required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, if any, are reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of accounting principles generally accepted in the United States of America.
- 7) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 8) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 9) There are no known or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
- 10) Guarantees, whether written or oral, under which the Agency is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) We have disclosed to you results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a) Management,
  - b) Employees who have significant roles in internal control, or
  - c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.

- 15) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you the names of our related parties and all the related party relationships and transactions, including side agreements, of which we are aware.

**Other**

- 17) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 18) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that you have reported to us.
- 19) We have a process to track the status of audit findings and recommendations.
- 20) We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for our report.
- 22) The Agency has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, or net position.
- 23) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 24) There are no:
  - a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
  - b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
  - c) Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
  - d) Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.

- 25) In regards to the nonattest services performed by you listed below, we acknowledge our responsibility related to these nonattest services and have 1) accepted all management responsibility; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.

a) Financial statement preparation assistance

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

- 26) The Illinois Municipal Electric Agency has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 27) The Illinois Municipal Electric Agency has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 28) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any.
- 29) The financial statements properly classify all funds and activities.
- 30) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 31) The Illinois Municipal Electric Agency has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.
- 32) Provisions for uncollectible receivables, if any, have been properly identified and recorded.
- 33) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).
- 34) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.
- 35) The operations and rate setting process meet the condition for application of accounting for regulated operations as outlined in GASB No. 62. All regulatory items included in the financial statements have been approved and are being accounted for in accordance with specific action taken by the regulatory body and as such the expectation of future recovery or refund is reasonable.
- 36) We have accounted for asset retirement obligations where we are a minority owner in accordance with FASB ASC 410, *Asset Retirement and Environmental Obligations* as allowed by GASB No. 83. All legal obligations, including those under the doctrine of promissory estoppels, associated with the retirement of tangible long-lived assets have been recognized. These obligations were recognized when incurred using management's best estimate of fair value. We believe the liability as presented is reasonable and fairly stated.
- 37) We have appropriately disclosed the Illinois Municipal Electric Agency's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy.

- 38) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 39) We assume responsibility for, and agree with, the findings of specialists in evaluating the arbitrage rebate calculations and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.
- 40) The auditing standards define an annual report as "a document, or combination of documents, typically prepared on an annual basis by management or those charged with governance in accordance with law, regulation, or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity's operations and the financial results and financial position as set out in the financial statements." Among other items, an annual report contains, accompanies, or incorporates by reference the financial statements and the auditors' report thereon. Our annual report is comprised of audited financial statements, comparative financial information and updates to members. We will provide you with the final version of the annual report once available, and prior to distribution to our stakeholders, such that you may complete your required procedures.
- 41) The Illinois Municipal Electric Agency is not aware of any subsequent events related to Prairie State Generating Company or the Trimble County Generating Facility that would affect the Agency's financial statements.
- 42) We have reviewed existing contracts and determined there are no items requiring accounting or reporting as leases.
- 43) We have reviewed existing contracts and determined there are no items requiring accounting or reporting as subscription-based information technology arrangements.
- 44) We have implemented GASB Statement No. 101, *Compensated Absences*, and believe that all required disclosures and accounting considerations have been identified and properly classified in the financial statements in compliance with the Standard.

Sincerely,

Illinois Municipal Electric Agency

Signed: \_\_\_\_\_



Signed: \_\_\_\_\_



# Client service team



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# Accounting changes relevant to Illinois Municipal Electric Agency

## Future accounting standards update

GASB statement number	Description	Potentially impacts you	Effective date
102	Certain risk disclosures	✓	4/30/25
103	Financial reporting model improvements	✓	4/30/26
104	Disclosure of certain capital assets	✓	4/30/26

Further information on upcoming [GASB pronouncements](#).

## New guidance on disclosure of certain risks

The requirements in GASB Statement No. 102, *Certain Risk Disclosures* is meant to provide financial statement users with information about certain risks when circumstances make a government vulnerable to a heightened possibility of loss or harm. It requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints.

- (a) The Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow or outflow of resources - for example, a small number of companies that represent a majority of employment in a government's jurisdiction, or a government that relies on one revenue source for most of its revenue.
- (b) The Statement defines a constraint as a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority - such as a voter-approved property tax cap or a state-imposed debt limit.

Concentrations and constraints may limit a government's ability to acquire resources or control spending.

The Statement generally requires a government to disclose information about a concentration or constraint if all of the following criteria are met:

- (a) The concentration or constraint is *known* to the government prior to issuing the financial statements.
- (b) The concentration or constraint makes the government vulnerable to the risk of a substantial impact.
- (c) An event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The disclosures should include a description of the following:

- The concentration or constraint,
- Each event associated with the concentration or constraint that could cause a substantial impact if the event has occurred or has begun to occur prior to the issuance of the financial statements, and
- Actions taken by the government to mitigate the risk prior to the issuance of the financial statements.

## **Changes to the financial reporting model**

GASB Statement 103, *Financial Reporting Model Improvements*, builds on Statement 34 by providing key targeted improvements to the financial reporting model. Its requirements are designed to:

- Enhance the effectiveness of governmental financial reports in providing information essential for decision making and assessing a government's accountability, and
- Address certain application issues.

The targeted improvements contained in Statement 103 establish or modify existing accounting and financial reporting requirements related to:

- Management's discussion and analysis - While the overall requirements do not substantially change management's discussion and analysis, the modifications are meant to improve the analysis included in this section and provide details about the items that should be discussed as currently known facts, decisions, or conditions expected to have a significant financial effect in the subsequent period.
- Unusual or infrequent items (previously known as extraordinary and special items) - The new Statement simplifies GASB literature by eliminating the separate presentation of extraordinary and special items. Under the requirement of Statement 103, applicable items will either be identified as unusual or infrequent, or both.
- Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position - The changes are designed to improve consistency around the classification of items in these statements by better defining what should be included in operating revenues and expenses and nonoperating revenues and expenses including, for example, the addition of subsidies received or provided as a new category of nonoperating revenues and expenses.
- Major component unit information, and Budgetary comparison information - Statement 103 is designed to improve the consistency of the reporting of major component unit information and budgetary comparison information by specifying required placement of that information.

## Revisions to disclosures for certain capital assets

Governments are required to provide information on capital assets in the footnotes to the financial statements as outlined in GASB Statement No. 34. Recent standards have impacted the accounting and reporting for capital assets and as a result GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* to provide enhanced disclosures for certain capital assets, including:

- (a) Lease assets reported under Statement No. 87, intangible right-to-use assets reported under Statement No. 94 and subscription assets reported under Statement No. 96 should all be disclosed separately, and by major class of underlying asset. In addition, if there are any other intangible assets reported they should also be disclosed separately.
- (b) Capital assets that are held for sale should have the ending balance with separate disclosure for historical cost and related accumulated depreciation as well as any outstanding debt for which the asset is pledged as collateral disclosed by major class of asset. Assets held for sale are defined as those for which the government has decided to pursue the sale, and it is probable that the sale will be finalized within one year of the financial statement date.

While these changes are focused on footnote disclosures it is important to plan ahead to ensure the required information is available for implementation.

# Two-way audit communications

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
  - Identify types of potential misstatements.
  - Consider factors that affect the risks of material misstatement.
  - Design tests of controls, when applicable, and substantive procedures.
- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs.
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America.

- e. In connection with our audit, we intend to place reliance on the audit of the financial statements of Prairie State Generation Company, LLC, a power supply partner of IMEA, as of December 31, 2024 and for the year then ended completed by Forvis, LLP. All necessary conditions have been met to allow us to make reference to the component auditors.
- f. In connection with our audit, we have requested that Forvis, LLP perform work on the financial information of Prairie State Generation Company, LLC, a power supply partner of IMEA, as of December 31, 2024 and for the year then ended. We intend to evaluate and, if considered necessary, use the work of Forvis, LLP for our audit of the group financial statements of IMEA, and we may consider it necessary to be further involved in their work.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. We anticipate that IMEA will receive an unmodified opinion on its financial statements.
- e. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- f. Have you had any significant communications with regulators or grantor agencies?
- g. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of April-May, and sometimes early in June. Our final financial fieldwork is scheduled during June to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.

# **Illinois Municipal Electric Agency**

Financial Statements and  
Supplementary Information

April 30, 2025 and 2024

# Illinois Municipal Electric Agency

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April 30, 2025 and 2024

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## **Independent Auditors' Report**

To the Board of Directors of  
Illinois Municipal Electric Agency

### **Opinion**

We have audited the accompanying financial statements of Illinois Municipal Electric Agency (IMEA), as of and for the years ended April 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise IMEA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of IMEA as of April 30, 2025 and 2024, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of IMEA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about IMEA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of IMEA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about IMEA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Baker Tilly US, LLP*

Madison, Wisconsin  
July 28, 2025

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# **Illinois Municipal Electric Agency**

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Management's Discussion and Analysis  
April 30, 2025 and 2024  
(Unaudited)

The management of the Illinois Municipal Electric Agency (IMEA) offers all persons interested in the financial position of IMEA this narrative overview and analysis of IMEA's financial performance during the years ending April 30, 2025 and 2024. Please read this narrative in conjunction with the accompanying financial statements and the accompanying notes to financial statements.

## **Overview of the Financial Statements**

The Illinois Municipal Electric Agency is a body politic and corporate, municipal corporation and unit of local government of the State of Illinois. IMEA was created in 1984 under the provisions of Division 119.1 of Article II of the Illinois Municipal Code by a group of municipalities. The purpose of IMEA is to jointly plan, finance, own and operate facilities for the generation and transmission of electrical power and energy-related facilities to provide for the current and projected energy needs of the purchasing members. IMEA has thirty-two (32) members, each of which is a municipal corporation in the State of Illinois and owns and operates a municipal electric system.

This annual report consists of two parts: Management's Discussion and Analysis (this section) and the financial statements. These statements are prepared on the accrual basis of accounting in accordance with accounting principals generally accepted in the United States of America. IMEA uses the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission.

The Statements of Revenues, Expenses and Changes in Net Position present information showing how IMEA's net position changed during the most recent year due to IMEA's business activity. The Statements of Net Position report year end assets, deferred outflows of resources, liabilities and net position balances based on the original cost adjusted for any depreciation, amortization or unrealized gains/losses as appropriate. Over time, increases or decreases in IMEA's net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider include the Agency's wholesale electric rates and ability to maintain or exceed the debt coverage levels required by its bond resolution.

## **IMEA Financial Analysis**

An analysis of IMEA's financial position begins with the review of the Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position. A summary of IMEA's Statements of Net Position is presented in Table 1 and the Statements of Revenues, Expenses and Changes in Net Position are summarized in Table 2.

# Illinois Municipal Electric Agency

Management's Discussion and Analysis  
April 30, 2025 and 2024  
(Unaudited)

**Table 1**  
**Condensed Statements of Net Position**

	2025	2024	2023
Utility plant	\$901,619,261	\$926,862,215	\$951,383,076
Restricted assets	98,371,687	97,226,562	97,716,541
Current assets	184,828,670	166,660,820	157,476,266
Other assets	1,841,903	3,296,693	2,655,475
Deferred outflows of resources	12,657,477	15,033,344	17,577,371
Total Assets and Deferred Outflows of Resources	<u>\$1,199,318,998</u>	<u>\$1,209,079,634</u>	<u>\$1,226,808,729</u>
Net Position:			
Invested in capital assets	\$324,392,192	\$296,176,193	\$271,346,000
Restricted	12,045,331	11,511,814	10,751,876
Unrestricted	155,810,788	138,480,542	117,458,280
Total Net Position	<u>492,248,311</u>	<u>446,168,549</u>	<u>399,556,156</u>
Noncurrent liabilities	628,896,608	687,516,625	751,897,317
Current liabilities	78,174,079	75,394,460	75,355,256
Total Liabilities	<u>707,070,687</u>	<u>762,911,085</u>	<u>827,252,573</u>
Total Net Position and Liabilities	<u>\$1,199,318,998</u>	<u>\$1,209,079,634</u>	<u>\$1,226,808,729</u>

## Statements of Net Position

Year Ended April 30, 2025

IMEA's total utility plant decreased by \$25,242,954 during the year ended April 30, 2025. The Agency made total payments of \$12,651,846 toward the capital improvements associated with the Prairie State project, Trimble County Units 1 & 2 projects and other smaller capital acquisitions and improvements. Total current liabilities associated with these capital improvements were \$925,060. These capital investments net of depreciation accounted for most of the changes in utility plant. Depreciation expense of \$36,445,143 was recorded during the year.

IMEA had an increase in the cash and short-term investments held in operating reserve accounts of \$14,580,558 from the previous year. Accounts receivable increased by \$1,051,684 from the previous year. Prepayments increased by \$2,950,644 from the previous year. The value of renewable energy credits held at the end of the year decreased by \$302,826. These changes along with a decrease in the value of bond interest subsidy receivable and an increase in collateral held for others at the end of the year represent much of the increase in current assets of \$18,167,850.

Proceeds of revenue bonds not yet expended are included in restricted assets. The increase in restricted assets of \$1,145,125 was primarily caused by a rise in the market value of investments being held in restricted accounts.

Net position increased due to the current year's operations that resulted in net income of \$46,079,762.

*See accompanying independent auditors' report*

## Illinois Municipal Electric Agency

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Management's Discussion and Analysis  
April 30, 2025 and 2024  
(Unaudited)

Principal repayments associated with the Agency's outstanding revenue bonds totaled \$50,005,000. IMEA is scheduled to repay an additional \$51,725,000 on the outstanding revenue bonds on February 1, 2026, which is included in current liabilities. The Agency also had no current year payments with no draws against a line of credit facility available to IMEA keeping the total outstanding draws on the line of credit to \$0. The total undrawn portion of this line of credit was \$50,000,000.

### Year Ended April 30, 2024

IMEA's total utility plant decreased by \$24,520,861 during the year ended April 30, 2024. The Agency made total payments of \$11,601,700 toward the capital improvements associated with the Prairie State project, Trimble County Units 1 & 2 projects and other smaller capital acquisitions and improvements. Total current liabilities associated with these capital improvements were \$929,797. These capital investments net of depreciation accounted for most of the changes in utility plant. Depreciation expense of \$35,989,197 was recorded during the year.

IMEA had an increase in the cash and short-term investments held in operating reserve accounts of \$8,631,266 from the previous year. Accounts receivable decreased by \$1,272,895 from the previous year. Prepayments increased by \$2,724,731 from the previous year. The value of renewable energy credits held at the end of the year decreased by \$811,965. These changes along with a decrease in the value of bond interest subsidy receivable and an increase in collateral held for others at the end of the year represent much of the increase in current assets of \$9,184,554.

Proceeds of revenue bonds not yet expended are included in restricted assets. The decrease in restricted assets of \$489,979 was primarily caused by a return of excess funds following the Trustee's (BNY Mellon) annual cash valuation calculations.

Net position increased due to the current year's operations that resulted in net income of \$46,612,393.

Principal repayments associated with the Agency's outstanding revenue bonds totaled \$47,750,000. IMEA is scheduled to repay an additional \$50,005,000 on the outstanding revenue bonds on February 1, 2025, which is included in current liabilities. The Agency also had current year payments of \$2,000,000 with no draws against a line of credit facility available to IMEA bringing the total outstanding draws on the line of credit to \$0. The total undrawn portion of this line of credit was \$50,000,000.

## Illinois Municipal Electric Agency

Management's Discussion and Analysis  
April 30, 2025 and 2024  
(Unaudited)

**Table 2**  
**Condensed Statements of Revenues, Expenses and Changes in Net Position**

	2025	2024	2023
Operating revenues	\$328,817,328	\$312,627,656	\$312,710,430
Depreciation expense	36,445,143	35,989,197	35,331,150
Other operating expenses	227,424,381	207,731,360	201,318,145
Total Operating Expenses	263,869,524	243,720,557	236,649,295
Operating Income	64,947,804	68,907,099	76,061,135
Investment income	10,500,747	9,814,135	3,911,985
Interest and amortization expense	(29,883,784)	(32,165,974)	(34,290,557)
Other income/(expense)	514,995	57,133	(12,174)
Total Non-Operating Expenses	(18,868,042)	(22,294,706)	(30,390,746)
Change in Net Position	46,079,762	46,612,393	45,670,389
Net Position, Beginning of Year	446,168,549	399,556,156	353,885,767
Net Position, End of Year	\$492,248,311	\$446,168,549	\$399,556,156

### Statements of Revenue, Expenses and Changes in Net Position

Year Ended April 30, 2025

Sales to participating members of \$317,517,766 and 3,728,074,237 kilowatt hours ("kWh") were recorded during the fiscal year ended April 30, 2025. This represented an increase of \$15,329,493 (5.1 percent) in revenue from sales to participating members and an increase of 67,971,145 kWh (1.9 percent) as compared with the previous year. Energy sales were higher this year as compared to the previous year due to warmer temperatures over the summer and colder temperatures over the winter across Illinois.

IMEA recorded a coincident peak demand of 931 MW, which was approximately 4.3 percent lower than the 973 MW experienced in the previous year. The total member non-coincident peak demand was 946 MW, which was approximately 4.2 percent lower than the 987 MW experienced in the previous year.

The average cost of power sold to the participating members with capacity credits of 8.30 cents per kWh was approximately 3.4 percent higher than the 8.03 cents per kWh from the previous year.

*See accompanying independent auditors' report*

## Illinois Municipal Electric Agency

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Management's Discussion and Analysis  
April 30, 2025 and 2024  
(Unaudited)

Total operating expenses increased by \$20,148,967 (8.3 percent) from the previous year due primarily to higher transmission and purchased power expenses. Purchased power expenses went up 8.1 percent from the previous year due to IMEA having less generation from IMEA owned assets in the current year and a more favorable position in the energy markets during the previous fiscal year. Operation and maintenance expenses at generating units went up 3.7 percent from the previous year mainly due to inflation. Transmission expenses, which are outside of IMEA's control, went up 30.1 percent over fiscal year 2024. In reaction to an industry trend of increasing transmission expenses over the last several years, in fiscal year 2024 IMEA made use of prior year excess revenues received from MISO in connection with IMEA's Auction Revenue Rights and Financial Transmission Rights to create a regulatory credit of \$7,550,000. This regulatory credit was used evenly across all 12 months of fiscal year 2024 to offset increases in transmission expenses, part of the increase in fiscal year 2025 is attributed to the use of the regulatory credit in fiscal year 2024. For fiscal year 2025, fuel at generating units went down 2.8 percent from the previous year due to lower generation. Fuel reimbursements decreased by 4.0 percent due to member generation being called to generate less than prior year. Non-operating expenses decreased by \$3,426,664 (15.4 percent) from the previous year due primarily to lower interest expense and higher interest income. Interest expense decreased by 7.0 percent primarily due to payments made to reduce outstanding revenue bonds. Interest income increased by 7.0 percent due to interest rates paid on IMEA's investments being higher than the previous year.

### Year Ended April 30, 2024

Sales to participating members of \$302,188,273 and 3,660,103,092 kilowatt hours ("kWh") were recorded during the fiscal year ended April 30, 2024. This represented a decrease of \$580,773 (0.2 percent) in revenue from sales to participating members and a decrease of 101,094,732 kWh (2.7 percent) as compared with the previous year. Energy sales were lower this year as compared to the previous year due to milder temperatures over the summer and winter across Illinois.

IMEA recorded a coincident peak demand of 973 MW, which was approximately 6.2 percent higher than the 915 MW experienced in the previous year. The total member non-coincident peak demand was 987 MW, which was approximately 4.1 percent higher than the 948 MW experienced in the previous year.

The average cost of power sold to the participating members with capacity credits of 8.03 cents per kWh was approximately 2.6 percent higher than the 7.82 cents per kWh from the previous year.

Total operating expenses increased by \$7,071,262 (3.0 percent) from the previous year due primarily to higher purchased power expenses. Purchased power expenses went up 38.1 percent from the previous year due to IMEA having a more favorable position in the energy markets during the previous fiscal year. Operation and maintenance expenses at generating units went up 0.4 percent from the previous year mainly due to inflation. Transmission expenses, which are outside of IMEA's control, went down 13.0 percent. There has been a trend of increasing transmission expenses seen over the last several years, IMEA made use of prior year excess revenues received from MISO in connection to IMEA's Auction Revenue Rights and Financial Transmission Rights to create a regulatory credit of \$7,550,000. This regulatory credit was used evenly across all 12 months of fiscal year 2024 to offset increases in transmission expenses. Fuel at generating units went down 4.6 percent from the previous year due to the cost of coal at Trimble County Units returning to a level more consistent with history. Fuel reimbursements decreased by 20.4 percent due to member generation being called to generate less than prior year. Non-operating expenses decreased by \$8,096,040 (26.6 percent) from the previous year due primarily to lower interest expense and higher interest income. Interest expense decreased by 6.0 percent primarily due to payments made to reduce outstanding revenue bonds. Interest Income increased by 150.9 percent due to interest rates paid on IMEA's investments being much higher than the previous year.

# Illinois Municipal Electric Agency

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Management's Discussion and Analysis  
April 30, 2025 and 2024  
(Unaudited)

## Debt Service Coverage

IMEA's bond resolution requires the Agency to maintain a debt service coverage ratio of 110 percent. Debt service coverage for the year ended April 30, 2025 was approximately 134.1 percent and approximately 136.4 percent for the year ended April 30, 2024. IMEA made no transfers during the year ended April 30, 2025 or during the year ended April 30, 2024 into the rate stabilization account, transfers would have reduced debt service coverage.

## Significant Events

Illinois Municipal Electric Agency (IMEA) holds a 15.17% undivided ownership interest in the Prairie State Energy Campus (PSEC) which is operated through the Prairie State Generating Company (PSGC). On October 20, 2022, the PSGC received a Notice of Intent (NOI) to file suit from the Sierra Club alleging violations of the Federal Clean Air Act. The NOI to PSGC allowed Sierra Club to file suit on or after December 19, 2022. On March 22, 2023, the Sierra Club filed suit against PSGC. The Sierra Club alleges that PSEC is in violation of the Federal Clean Air Act because it does not have a Title V permit from the Illinois Environmental Protection Agency (IEPA). PSEC, however, does have and is operating legally under its Prevention of Significant Deterioration (PSD) permit from IEPA. Therefore, IMEA did not believe the suit had merit or that it was likely to have a material impact on the finances or operations of PSEC. In December 2024, the Illinois Pollution Control Board acknowledged that PSGC has been lawfully operating under its PSD permit and ordered IEPA to issue a final Clean Air Act Title V operating permit (known in Illinois as a Clean Air Act Permit Program permit or CAAPP). On April 16, 2025, Sierra Club and Prairie State filed a joint Stipulation of Dismissal with Prejudice. The U.S. District Court for Southern Illinois accepted the joint stipulation. Stipulation of dismissal is effective immediately upon filing and does not require judicial approval. This brings an end to a 2-year-long questionable challenge to Prairie State's lawfully permitted operations. Sierra Club will not be able to bring this matter to court again. PSGC filed for an update to its Title V permit application on January 7, 2025. As per the Illinois Pollution Control Board order, the IEPA must issue a draft permit or refuse to grant a permit within one year of the updated application filing (January 2026). If the IEPA issues a draft permit, the order also directs the IEPA to issue a final permit within two years of the updated application filing (January 2027).

IMEA reached an agreement with Illinois Power Marketing (IPM), a wholly owned subsidiary of Vistra Corp., to shorten the term of a long-term, baseload purchase power agreement. The original term of the agreement was set to end on September 30, 2035, with an amended term through May 31, 2026. IMEA and IPM set a new end date of May 31, 2022 that coincided with the MISO Planning Year. As part of the shortened long-term agreement, IMEA is purchasing capacity and energy from IPM for one year, that year began on June 1, 2022 and ended on May 31, 2023 via a market-based transaction. This one-year agreement ended in fiscal year 2024. IMEA is evaluating and procuring carbon-free resources and market purchases to replace the energy and capacity it procured from this purchase power agreement.

For the Delivery Year that began on June 1, 2022 and ended on May 31, 2023, IMEA received excess revenues of approximately \$12,300,000 from credits received from MISO in connection with IMEA's Auction Revenue Rights (ARRs) and Financial Transmission Rights (FTRs), which are treated as offsets to transmission-related expenses ("Excess Transmission Credits"). IMEA used a portion of the Excess Transmission Credits (\$4,750,000) to repay and retire a previously established regulatory asset and the remainder (\$7,550,000) to establish a regulatory credit to forgo an otherwise needed Delivery Service rate increase for fiscal year 2024. The regulatory credit allowed the remaining Excess Transmission Credits to be carried forward from fiscal year 2023 to fiscal year 2024, the regulatory credit allowed for the Excess Transmission Credits to offset delivery service expenses in fiscal year 2024. The funds in the regulatory credit were allocated evenly (1/12th) each month of fiscal year 2024.

## **Illinois Municipal Electric Agency**

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Management's Discussion and Analysis  
April 30, 2025 and 2024  
(Unaudited)

### **Renewable and Carbon-Free Energy Resources**

IMEA has a contract to purchase 70 MW of wind energy from the Lee-Dekalb wind project owned by FPL Energy Illinois Wind, LLC and another contract to purchase 50 MW of wind from the Green River Wind Farm that was developed by Geronimo Energy, LLC. Two of IMEA's members own and operate run-of-the-river hydroelectric generation that totals nearly 10 MW of carbon-free energy for IMEA. IMEA also has contracts for the purchase of approximately 7.5 MW of solar energy located within eight of IMEA's member electric systems. These resources provide IMEA with carbon-free and/or renewable energy resources totaling slightly more than 10 percent of IMEA's energy requirements. In addition, IMEA is under contract to purchase 25 MW of solar energy from Big River Solar, this is a solar project located in Illinois that became operational in 2022. This contract has a June 2025 start date. In 2024, IMEA entered into a 20-year power purchase agreement with Bee Hollow Solar, LLC, which represents a purchase of 150 MW of solar capacity, associated energy and RECs from the Bee Hollow Solar Project, a proposed 150 MW solar energy project located in St. Clair County, Illinois in the MISO market, currently expected to become operational by the end of 2026. The purchase of this solar energy represents approximately 9% of IMEA's Participating Members' energy requirements. IMEA is working with an experienced solar vendor, SolAmerica, to potentially add 11 MW of solar to be located within the electric systems of IMEA members. IMEA continues to evaluate additional carbon-free resources and will seek and evaluate additional opportunities to increase the amount of energy it produces from renewable or carbon-free resources. When the above referenced IPM agreement expired on May 31, 2023, IMEA no longer has any carbon-based purchase power agreements in place.

### **Contacting IMEA's Management**

This financial report is designed to provide our members, investors and creditors with a general overview of IMEA's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Illinois Municipal Electric Agency, 3400 Conifer Drive, Springfield, IL 62711.

# Illinois Municipal Electric Agency

## Statements of Net Position

April 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Assets and Deferred Outflows of Resources</b>		
<b>Utility Plant</b>		
Utility plant in service	\$ 1,335,082,256	\$ 1,329,449,580
Accumulated depreciation	(474,543,742)	(440,478,810)
Construction work in progress	<u>41,080,747</u>	<u>37,891,445</u>
Total utility plant	<u>901,619,261</u>	<u>926,862,215</u>
<b>Restricted Assets</b>		
Cash and investments	<u>98,371,687</u>	<u>97,226,562</u>
<b>Current Assets</b>		
Cash	86,702,741	74,777,666
Investments	40,148,296	37,492,813
Accounts receivable	20,991,431	19,939,747
Bond interest subsidy receivable	1,536,377	1,660,736
Renewable energy credits	2,489,065	2,791,891
Prepayments	32,426,362	29,475,718
Collateral held for others	<u>534,398</u>	<u>522,249</u>
Total current assets	<u>184,828,670</u>	<u>166,660,820</u>
<b>Other Assets</b>		
Regulatory costs for future recovery	1,214,975	1,443,722
Unrealized (gain) loss on investments	(776,792)	1,522,305
Prairie State, other long term asset	<u>1,403,720</u>	<u>330,666</u>
Total other assets	<u>1,841,903</u>	<u>3,296,693</u>
Total assets	<u>1,186,661,521</u>	<u>1,194,046,290</u>
<b>Deferred Outflows of Resources</b>		
Unamortized loss on advance refunding	<u>12,657,477</u>	<u>15,033,344</u>
Total assets and deferred outflows of resources	<u>\$ 1,199,318,998</u>	<u>\$ 1,209,079,634</u>

See notes to financial statements

# Illinois Municipal Electric Agency

## Statements of Net Position

April 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Net Position and Liabilities</b>		
<b>Net Position</b>		
Net investment in capital assets	\$ 324,392,192	\$ 296,176,193
Restricted	12,045,331	11,511,814
Unrestricted	<u>155,810,788</u>	<u>138,480,542</u>
Total net position	<u>492,248,311</u>	<u>446,168,549</u>
<b>Noncurrent Liabilities</b>		
Revenue bonds	591,875,000	643,600,000
Unamortized premium	23,792,717	28,258,722
Other liabilities	<u>13,228,891</u>	<u>15,657,903</u>
Total noncurrent liabilities	<u>628,896,608</u>	<u>687,516,625</u>
<b>Current Liabilities</b>		
Accounts payable and accrued expenses		
Accounts payable:		
Purchased power and transmission	7,756,942	7,576,898
Jointly-owned facilities	8,549,328	7,097,553
Other	114,959	69,073
Collateral due to others	535,238	523,487
Other current liabilities	<u>674,427</u>	<u>552,057</u>
Total accounts payable and accrued expenses	<u>17,630,894</u>	<u>15,819,068</u>
Current liabilities payable from restricted assets:		
Current maturities of revenue bonds	51,725,000	50,005,000
Interest accrued	<u>8,818,185</u>	<u>9,570,392</u>
Total current liabilities payable from restricted assets	<u>60,543,185</u>	<u>59,575,392</u>
Total current liabilities	<u>78,174,079</u>	<u>75,394,460</u>
Total liabilities	<u>707,070,687</u>	<u>762,911,085</u>
Total net position and liabilities	<u>\$ 1,199,318,998</u>	<u>\$ 1,209,079,634</u>

See notes to financial statements

**Illinois Municipal Electric Agency**

Statements of Revenues, Expenses and Changes in Net Position  
Years Ended April 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Operating Revenues</b>		
Sales to participating members	\$ 317,517,766	\$ 302,188,273
Other income	<u>11,299,562</u>	<u>10,439,383</u>
Total operating revenues	<u>328,817,328</u>	<u>312,627,656</u>
<b>Operating Expenses</b>		
Purchased power	59,439,340	54,974,399
Transmission	61,766,274	47,463,430
Prairie State and Trimble County Units No. 1 and 2:		
Fuel	42,805,544	44,033,158
Operations and maintenance	41,915,642	40,401,496
Member payments:		
Fuel reimbursements	1,147,860	1,195,739
Capacity payments	8,229,607	8,424,829
Generation payments	13,252	9,099
Administration and general	9,921,793	9,245,964
Depreciation	36,445,143	35,989,197
Other utility operations	<u>2,185,069</u>	<u>1,983,246</u>
Total operating expenses	<u>263,869,524</u>	<u>243,720,557</u>
Operating income	<u>64,947,804</u>	<u>68,907,099</u>
<b>Nonoperating Revenues (Expenses)</b>		
Investment income	10,500,747	9,814,135
Bond interest subsidy revenue	6,209,538	6,655,720
Interest expense	(37,954,710)	(40,814,763)
Amortization expense	1,861,388	1,993,069
Other income (expense)	<u>514,995</u>	<u>57,133</u>
Total nonoperating revenues (expenses)	<u>(18,868,042)</u>	<u>(22,294,706)</u>
Change in net position	46,079,762	46,612,393
<b>Net Position, Beginning</b>	<u>446,168,549</u>	<u>399,556,156</u>
<b>Net Position, Ending</b>	<u>\$ 492,248,311</u>	<u>\$ 446,168,549</u>

See notes to financial statements

# Illinois Municipal Electric Agency

## Statements of Cash Flows

Years Ended April 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Cash Flows From Operating Activities</b>		
Received from power sales	\$ 307,075,359	\$ 293,831,497
Paid to suppliers for purchased power and transmission	(120,722,745)	(110,397,605)
Paid to suppliers and employees for other services	<u>(88,382,708)</u>	<u>(88,081,753)</u>
Net cash flows from operating activities	<u>97,969,906</u>	<u>95,352,139</u>
<b>Cash Flows From Noncapital and Related Financing Activities</b>		
Payment of line of credit debt	<u>-</u>	<u>(2,000,000)</u>
Net cash flows from noncapital financing and related activities	<u>-</u>	<u>(2,000,000)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Debt principal paid	(50,005,000)	(47,750,000)
Interest paid	(38,706,918)	(41,427,661)
Bond interest subsidy received	6,333,895	6,756,528
Acquisition and construction of capital assets	(12,651,846)	(11,601,700)
Asset retirement obligation costs incurred	<u>(26,416)</u>	<u>(26,041)</u>
Net cash flows from capital and related financing activities	<u>(95,056,285)</u>	<u>(94,048,874)</u>
<b>Cash Flows From Investing Activities</b>		
Investment income	10,500,751	9,814,135
Purchase of long-term investments	(150,649,618)	(158,577,843)
Maturity of long-term investments	<u>148,984,000</u>	<u>151,766,000</u>
Net cash flows from investing activities	<u>8,835,133</u>	<u>3,002,292</u>
Net change in cash and cash equivalents	11,748,754	2,305,557
<b>Cash and Cash Equivalents, Beginning</b>	<u>76,766,597</u>	<u>74,461,040</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 88,515,351</u>	<u>\$ 76,766,597</u>
<b>Noncash Capital and Related Financing Activities</b>		
Recording of other regulatory liability	\$ -	\$ (6,909,337)
Change in asset retirement obligation liability	\$ 2,589,752	\$ 762,197
Accretion expense	\$ 741,767	\$ 782,192
Change in unrealized loss on investments	\$ (2,299,097)	\$ 881,067
Amortization expense	\$ 1,861,388	\$ 1,993,069
Credits given on billings	\$ (9,390,719)	\$ (9,629,667)
Net gain (loss) on sale of assets	<u>\$ (514,995)</u>	<u>\$ (57,133)</u>

See notes to financial statements

## Illinois Municipal Electric Agency

### Statements of Cash Flows

Years Ended April 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Reconciliation of Operating Income to Net Cash Flows From Operating Activities</b>		
Operating income	\$ 64,947,804	\$ 68,907,099
Noncash items included in operating income:		
Depreciation	36,445,143	35,989,197
Other noncash transactions	(1,403,978)	(530,012)
Changes in assets and liabilities:		
Accounts receivable	(1,051,685)	1,272,894
Prepayments	(2,950,644)	(2,724,729)
Renewable energy credits	302,826	811,965
Accounts payable	1,682,439	(1,462,534)
Change in regulatory asset/liability	-	(6,909,340)
Other current liabilities	(1,999)	(2,401)
	<u>\$ 97,969,906</u>	<u>\$ 95,352,139</u>
Net cash flows from operating activities		
	<u>\$ 97,969,906</u>	<u>\$ 95,352,139</u>
<b>Reconciliation of Cash and Cash Equivalents to the Balance Sheets</b>		
Restricted cash and investments	\$ 98,371,687	\$ 97,226,562
Cash	86,702,741	74,777,666
Investments	<u>40,148,296</u>	<u>37,492,813</u>
Total cash and investments	225,222,724	209,497,041
Less investments	<u>(136,707,373)</u>	<u>(132,730,444)</u>
Total cash and cash equivalents	<u>\$ 88,515,351</u>	<u>\$ 76,766,597</u>

See notes to financial statements

## 1. Summary of Significant Accounting Policies

The financial statements of the Illinois Municipal Electric Agency (IMEA) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by IMEA are described below.

### Reporting Entity

IMEA is a body politic and corporate, municipal corporation and unit of local government of the State of Illinois. IMEA was created in May 1984 under the provisions of Division 119.1 of Article II of the Illinois Municipal Code (the Act) by a group of municipalities for the purpose of jointly planning, financing, owning and operating facilities for the generation and transmission of electrical power and energy-related facilities which are appropriate to the present and projected energy needs to such municipalities. IMEA is owned and its policies governed by its member municipalities.

IMEA has provided the power and energy requirements of certain members since 1986, primarily through the purchase of wholesale requirements service from power providers and through IMEA owned generation. The contracts with power providers, which obligate IMEA to purchase electric energy for concurrent resale to its members, are in effect through September 2035.

As of April 30, 2025, IMEA had 32 member municipalities, all of which have executed long-term power sales contracts for the purchase of full requirements power and energy from IMEA. The original termination date for all of the power sales contracts with participating members is September 30, 2035. These members participate in the IMEA owned generation facilities and pay rates sufficient to meet the obligations of IMEA's bond resolution. Per resolutions 24-04-900 through 24-04-909, as of April 30, 2025, 27 members have signed new contracts to extend their termination dates to May 31, 2055.

### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when exchange takes place. IMEA uses the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The Statement requires that liabilities for compensated absences be recognized in financial statements prepared using the economic resources measurement focus for (1) leave that has not been used and (2) leave that have been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This standard was implemented July 1, 2024. The prior year impact of the standard was not considered material to the financial statements, therefore the prior year balances were not adjusted for the change.

# Illinois Municipal Electric Agency

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Notes to Financial Statements

April 30, 2025 and 2024

## **Assets, Deferred Outflows of Resources, Liabilities and Net Position**

### **Cash Equivalents**

For purposes of the statement of cash flows, cash and cash equivalents have original maturities of three months or less from the date of acquisition.

### **Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable are stated at the amount billed to members. Allowance for doubtful accounts is not considered necessary as IMEA has not historically experienced delays in payments for service rendered.

### **Renewable Energy Credits**

Energy credits consist of renewable energy credits (RECs) held for sale and are valued at current market value. The RECs are obtained through the purchase of renewable energy resources.

### **Prepayments**

The amount in prepaid items represents amounts paid which will benefit future periods, IMEA's payment for collateral for operating activities in the MISO and PJM transmission markets and advance payments to Trimble County and Prairie State for working capital.

### **Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

### **Prairie State, Other Long-Term Asset**

Other long-term assets are comprised of the assets related to the prepayments made on a long-term parts agreement and collateral paid toward a self-insurance fund.

### **Regulatory Costs for Future Recovery**

Expenses incurred and paid in the current and prior periods in which the benefit of the expense will be recovered and realized in future periods in accordance with GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. See Note 9 for further discussion related to assets.

### **Unrealized Gains and Loss on Investments**

Management has elected the use of regulatory accounting for its unrealized gains and losses on investments. Changing market gains and losses are not recognized as investment income until such time investments are sold or mature. Net unrealized gains and losses are reported as other assets on the Statement of Net Position.

### **Utility Plant**

Utility plant is generally defined by IMEA as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year, except for jointly owned assets. In these cases, utility plant is capitalized based on policies defined by Louisville Gas & Electric Company and Prairie State Generating Company.

## Illinois Municipal Electric Agency

Notes to Financial Statements

April 30, 2025 and 2024

Utility plant of IMEA is recorded at cost or the estimated acquisition value at the time of contribution to IMEA. Major outlays for utility plant are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the utility plant constructed, net of interest earned on the invested proceeds over the same period. Utility plant is depreciated using the straight-line method over the following useful lives:

	<u>Years</u>
Utility Plant:	
Electric plant, Trimble County Units No. 1 and 2	20-53
Electric plant, Prairie State Units No. 1 and 2	40
Mobile generation	30
Land	-
Land improvements	10
Office building	10-31.5
Office furniture and equipment	5
Supervisory control and data acquisition equipment	5
Winnetka 138 interconnect	30
Other equipment	5

Coal reserves are depleted as the commodity is consumed using a rate which is based upon the cost to IMEA divided by the total estimated coal to be mined.

### Deferred Outflow of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources expense until that future time.

### Loss on Refunding

The deferred change resulting from the refunding of debt is amortized over the shorter of the term of the refunding issue or the original term of the refunded debt.

### Payables and Other Current Liabilities

Accounts payable represents current liabilities for power, jointly owned facilities and other payables. Other current liabilities represent accrued vacation benefits and accrued property taxes payable.

### Other Liabilities

Other liabilities represent accrued sick leave, MISO ARR credit (Note 9) and asset retirement obligation (Note 7). Under terms of employment, employees are granted one day of sick leave per month. One-half of accumulated sick leave benefits are paid if the employee terminates service after at least 10 years of service. Accumulated sick leave and vacation benefits have been recorded in the financial statements.

### Long-Term Obligations

Long-term debt and other obligations are reported as liabilities. Bond discounts and premiums are amortized over the life of the bonds using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The balance at year-end for premiums and discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year-end for the loss on refunding is shown as a deferred outflow in the statement of net position.

# Illinois Municipal Electric Agency

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## Notes to Financial Statements

April 30, 2025 and 2024

### Revenues and Expenses

IMEA distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with IMEA's principal ongoing operations. The principal operating revenues of IMEA are charges to members for sales and services. Operating expenses for IMEA include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

IMEA billings are rendered and recorded monthly based on month-end metered usage.

### Bond Subsidy Revenue and Receivable

This amount represents the accrued amount receivable under the Build America Bond Program (BAB) which provides a 35% subsidy for interest expense on the Series 2009 and 2010 revenue bond issues. The interest expense reduction is classified as nonoperating revenue.

The United States Federal Government was subject to the process of sequestration for the budget year ending September 30, 2025 and 2024 whereby foreseeable spending reductions for many Federal programs, including issuers of the BAB's, may directly affect the recovery of the BAB's subsidy. See Note 6 for further details.

### Taxes

IMEA is exempt from State and Federal income taxes.

### Rates

Rates charged to members are approved by the Board of Directors and were increased January 1, 2025. The approved rate includes adjustment clauses which are calculated monthly based on cost to serve member load.

### Effect of New Accounting Standards on Current Period Financial Statements

GASB has approved Statement No. 102, *Certain Risk Disclosures* and Statement No. 103, *Financial Reporting Model Improvements* and Statement No. 104, *Disclosure of Certain Capital Assets*. When they become effective, application of these standards may restate portions of these financial statements.

### Comparative Data

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

# Illinois Municipal Electric Agency

Notes to Financial Statements

April 30, 2025 and 2024

## 2. Cash and Investments

IMEA's cash and investments consist of the following:

	Carrying Value as of April 30		Associated Risk
	2025	2024	
The Illinois Funds	\$ 58,928,228	\$ 51,191,265	Credit and interest rate
U.S. agency securities, implicitly guaranteed	14,548,330	24,019,400	Custodial credit, credit, concentration of credit and interest rate
U.S. treasuries	123,115,321	109,677,559	Custodial credit and interest rate
Money market fund	1,295,904	1,783,971	Custodial credit
Checking and savings	27,334,441	22,824,346	Custodial credit
Petty cash	500	500	Not applicable
Total	<u>\$ 225,222,724</u>	<u>\$ 209,497,041</u>	

IMEA's Trust Indenture authorizes IMEA to deposit funds only in banks insured by the Federal Deposit Insurance Corporation (FDIC). IMEA may also make investments in U.S. Government and federal agency obligations, investment grade bonds, commercial paper rated at the highest classification established by at least two standard rating services, money market mutual funds, repurchase agreements and The Illinois Funds.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in the fair value section of this note. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Fair values may have changed significantly after year-end.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts and \$250,000 for demand deposit accounts (interest and noninterest bearing). Investments in The Illinois Funds are covered under securities pledged for all pool participants. The difference between the bank balance and carrying value is due to outstanding checks, deposits in transit and/or market value adjustments.

### Custodial Credit Risk

#### Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, IMEA's deposits may not be returned to IMEA. IMEA's investment policy requires collateralization of deposits above the amount insured by the FDIC. IMEA does not have any deposits exposed to custodial credit risk as of April 30, 2025 and 2024.

#### Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, IMEA will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All investments held as of April 30, 2025 and 2024, were considered to be in risk category one (investments held in trust on behalf of IMEA), therefore, not subject to custodial credit risk. IMEA's investment policy requires all investment securities be held by its agent in IMEA's name.

## Illinois Municipal Electric Agency

Notes to Financial Statements

April 30, 2025 and 2024

### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of April 30, 2025 IMEA's investments were rated as follows:

Investment Type	Standard & Poor's	Moody's	Fitch
U.S. agency securities	AA+	Aaa	-
The Illinois funds	-	-	AAAmf

As of April 30, 2024 IMEA's investments were rated as follows:

Investment Type	Standard & Poor's	Moody's	Fitch
U.S. agency securities	AA+	Aaa	-
The Illinois funds	-	-	AAAmf

IMEA's investment policy requires that all investments be rated in highest or second highest categories by the national rating agencies.

### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of IMEA's investment in a single issuer.

As of April 30, 2025 and 2024, IMEA's investment portfolio was concentrated as follows:

Issuer	Investment Types	Percentage of Portfolio	
		2025	2024
Federal Home Loan Bank Federal Farm Credit Banks Funding Corporation	U.S. agency securities, implicitly guaranteed	0%	8%
	U.S. agency securities, implicitly guaranteed	11	10

IMEA's investment policy states that no more than 50% of the total portfolio may be invested in one type of investment with the exception of the U.S. government and its agencies.

## Illinois Municipal Electric Agency

Notes to Financial Statements

April 30, 2025 and 2024

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

As of April 30, 2025 IMEA's investments were as follows:

	Maturity (In Years)			
	Fair Value	Less than 1	1-5	Over 5
U.S. agency securities	\$ 14,548,330	\$ 5,379,016	\$ 9,169,314	\$ -
U.S. treasuries	123,115,321	52,540,245	63,580,546	6,994,530
Total	<u>\$ 137,663,651</u>	<u>\$ 57,919,261</u>	<u>\$ 72,749,860</u>	<u>\$ 6,994,530</u>

IMEA also has \$58,928,228 invested in The Illinois Funds, which are valued at amortized cost. The average maturity of The Illinois Funds is 120 days.

As of April 30, 2024 IMEA's investments were as follows:

	Maturity (In Years)			
	Fair Value	Less than 1	1-5	Over 5
U.S. agency securities	\$ 24,019,400	\$ 10,931,515	\$ 13,087,885	\$ -
U.S. treasuries	109,677,559	77,917,418	25,064,111	6,696,030
Total	<u>\$ 133,696,959</u>	<u>\$ 88,848,933</u>	<u>\$ 38,151,996</u>	<u>\$ 6,696,030</u>

IMEA also has \$51,191,265 invested in The Illinois Funds, which are valued at amortized cost. The average maturity of The Illinois Funds is 120 days.

IMEA's investment policy states that investment securities should not mature later than the monies will be needed for the respective use.

### Fair Value

IMEA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

## Illinois Municipal Electric Agency

### Notes to Financial Statements

April 30, 2025 and 2024

The valuation methods for recurring fair value measurements as of April 30, 2025 and 2024 are as follows:

- Market approach - matrix pricing or market collaborative pricing

As of April 30, 2025 IMEA's fair values were rated as follows:

Investment Type	Total	Level 1	Level 2
U.S. agency securities:	\$ 14,548,330	\$ -	\$ 14,548,330
U.S. treasuries	123,115,321	123,115,321	-
Total	<u>\$ 137,663,651</u>	<u>\$ 123,115,321</u>	<u>\$ 14,548,330</u>

As of April 30, 2024 IMEA's fair values were rated as follows:

Investment Type	Total	Level 1	Level 2
U.S. agency securities:	\$ 24,019,400	\$ -	\$ 24,019,400
U.S. treasuries	109,677,559	109,677,559	-
Total	<u>\$ 133,696,959</u>	<u>\$ 109,677,559</u>	<u>\$ 24,019,400</u>

### 3. Jointly-Owned Facilities

#### Trimble County Unit No. 1

Pursuant to an ownership agreement entered into in September 1990, IMEA acquired an undivided 12.12% ownership interest (approximately 62 MW), as tenant in common, in the Trimble County Unit No. 1 generating facility from Louisville Gas and Electric Company. Trimble County Unit 1 is a 514 MW subcritical pulverized coal fired unit.

#### Trimble County Unit No. 2

Trimble County Unit 2, which was placed into commercial operation in January 2011, is a pulverized-coal super-critical unit of 750 MW nominal net rating located adjacent to Trimble County Unit 1. IMEA owns a 12.12% (approximately 91 MW) undivided interest as tenant in common in the unit.

#### Prairie State Project

IMEA is part of the consortium known as the Prairie State Generating Company, LLC that developed the Prairie State Project. IMEA owns a 15.17% (approximately 240 MW) undivided interest in the project. The Prairie State Project is a nominal 1,600 MW plant, utilizing two supercritical steam units of approximately 800 MW in size. Prairie State includes contiguous coal reserves and the operation of a coal mine to supply coal to the power plant. The first unit was placed into commercial operation in June 2012 and the second unit was placed into commercial operation in November 2012.

IMEA's share of the operating costs associated with these joint owned facilities are included in the accompanying financial statements.

# Illinois Municipal Electric Agency

Notes to Financial Statements

April 30, 2025 and 2024

## 4. Funds

IMEA's Trust Indenture requires the segregation of bond proceeds, establishment of various funds and prescribes the application of IMEA's revenues. Also, it defines what type of securities that IMEA may invest in. Funds consist principally of cash, money market funds, federal securities and investments in The Illinois Funds. The fund's purposes and balances are summarized below.

Fund	Held By	Purpose
Revenue	IMEA	To initially receive revenues and to disburse them to other accounts.
Operations and Maintenance	IMEA	To pay operating and maintenance expenses.
Renewals and Replacements	IMEA	To provide funds to be applied to the payment of the costs of renewals, replacements and repairs.
General Reserve	IMEA	To receive surplus funds after all other accounts are funded.
Rate Stabilization	IMEA	To accumulate any revenues in excess of the 10% debt service coverage requirement which will be used to minimize rate fluctuations in the future.
Debt Service Account	Trustee	To accumulate principal and interest associated with each bond series.
Debt Service Reserve Account	Trustee	To establish a reserve to cover deficiencies in the Debt Service Account. Any excess may be used for other purposes.

The indenture requires that certain cash and investments be segregated. The following are accounts included in current and restricted assets at April 30, 2025 and 2024.

	2025	2024
Included in current assets:		
Operation and maintenance	\$ 64,396,430	\$ 53,200,482
Renewals and replacements	2,363,143	2,336,475
General reserve	14,590,964	11,233,022
Rate stabilization	45,500,000	45,500,000
General cash (not restricted by indenture)	500	500
Total current cash and investments	<u>\$ 126,851,037</u>	<u>\$ 112,270,479</u>
Included in restricted investment accounts:		
Debt service	\$ 20,863,516	\$ 21,082,206
Debt service reserve	77,508,171	76,144,356
Total restricted cash and investments	<u>\$ 98,371,687</u>	<u>\$ 97,226,562</u>

# Illinois Municipal Electric Agency

Notes to Financial Statements  
April 30, 2025 and 2024

## 5. Changes in Utility Plant

A summary of changes in utility plant for 2025 follows:

	Balance 5/1/24	Additions/ Reclassifications	Deletions/ Reclassifications	Balance 4/30/25
Utility plant being depreciated electric plant :				
Trimble County Unit No. 1	\$ 133,676,283	\$ 748,148	\$ (1,248,964)	\$ 133,175,467
Trimble County Unit No. 2	245,816,695	2,219,898	-	248,036,593
Prairie State Unit No. 1	356,938,843	-	-	356,938,843
Prairie State Unit No. 2	328,705,858	476,174	(316,930)	328,865,102
Mobile generation	3,214,845	1,764	-	3,216,609
Prairie State, Common	151,521,315	161,079	-	151,682,394
Prairie State, Jordan Grove	1,259,038	55,340	(9,954)	1,304,424
Prairie State, Nearfield	14,402,086	1,105,136	-	15,507,222
Prairie State, Other	7,632,616	-	-	7,632,616
Prairie State, Mine	49,932,862	2,657,820	(359,289)	52,231,393
Prairie State, Coal Reserves	17,372,369	-	-	17,372,369
Land <sup>1</sup>	5,966,369	-	-	5,966,369
Office building	8,762,714	49,817	-	8,812,531
Office furniture and equipment	554,209	-	(1,634)	552,575
Supervisory control and data acquisition equipment	2,683,116	47,769	-	2,730,885
Winnetka 138 interconnect	500,000	-	-	500,000
Other equipment	510,362	120,483	(73,981)	556,864
Total utility plant in service	1,329,449,580	7,643,428	(2,010,752)	1,335,082,256
Construction work in progress <sup>1</sup>	37,891,445	10,547,603	(7,358,301)	41,080,747
Total utility plant	1,367,341,025	18,191,031	(9,369,053)	1,376,163,003
Less accumulated depreciation electric plant:				
Trimble County Unit No. 1	(78,628,831)	(3,694,722)	1,248,964	(81,074,589)
Trimble County Unit No. 2	(66,183,967)	(6,587,433)	-	(72,771,400)
Prairie State Unit No. 1	(102,768,467)	(8,923,471)	-	(111,691,938)
Prairie State Unit No. 2	(91,943,848)	(8,213,691)	316,930	(99,840,609)
Mobile generation	(2,287,504)	(107,215)	-	(2,394,719)
Prairie State, Common	(43,390,267)	(3,791,186)	-	(47,181,453)
Prairie State, Jordan Grove	(1,199,894)	-	462,700	(737,194)
Prairie State, Nearfield	(3,049,809)	(371,697)	-	(3,421,506)
Prairie State, Other	(4,411,310)	(381,631)	-	(4,792,941)
Prairie State, Mine	(32,338,805)	(3,447,415)	359,289	(35,426,931)
Prairie State, Coal Reserves	(5,975,904)	(546,969)	-	(6,522,873)
Office building	(4,409,596)	(314,965)	-	(4,724,561)
Office furniture and equipment	(489,261)	(16,799)	1,634	(504,426)
Supervisory control and data acquisition equipment	(2,532,514)	(56,938)	-	(2,589,452)
Winnetka 138 interconnect	(461,113)	(16,667)	-	(477,780)
Other equipment	(407,720)	(48,979)	65,329	(391,370)
Total accumulated depreciation	(440,478,810)	(36,519,778)	2,454,846	(474,543,742)
Net utility plant	<u>\$ 926,862,215</u>			<u>\$ 901,619,261</u>

<sup>1</sup> Utility plant that is not being depreciated.

# Illinois Municipal Electric Agency

## Notes to Financial Statements

April 30, 2025 and 2024

A summary of changes in utility plant for 2024 follows:

	<b>Balance 5/1/23</b>	<b>Additions/ Reclassifications</b>	<b>Deletions/ Reclassifications</b>	<b>Balance 4/30/24</b>
Utility plant being depreciated				
electric plant :				
Trimble County Unit No. 1	\$ 133,818,115	\$ 2,801,181	\$ (2,943,013)	\$ 133,676,283
Trimble County Unit No. 2	198,292,555	47,524,140	-	245,816,695
Prairie State Unit No. 1	356,771,463	316,898	(149,518)	356,938,843
Prairie State Unit No. 2	328,705,858	-	-	328,705,858
Mobile generation	3,214,845	-	-	3,214,845
Prairie State, Common	151,460,309	227,642	(166,636)	151,521,315
Prairie State, Jordan Grove	1,385,270	-	(126,232)	1,259,038
Prairie State, Nearfield	14,440,440	-	(38,354)	14,402,086
Prairie State, Other	7,833,412	-	(200,796)	7,632,616
Prairie State, Mine	45,305,436	4,830,060	(202,634)	49,932,862
Prairie State, Coal Reserves	17,372,369	-	-	17,372,369
Land <sup>1</sup>	5,966,369	-	-	5,966,369
Office building	8,656,954	105,760	-	8,762,714
Office furniture and equipment	577,584	25,184	(48,559)	554,209
Supervisory control and data acquisition equipment	2,618,485	66,175	(1,544)	2,683,116
Winnetka 138 interconnect	500,000	-	-	500,000
Other equipment	497,071	66,532	(53,241)	510,362
Total utility plant in service	1,277,416,535	55,963,572	(3,930,527)	1,329,449,580
Construction work in progress <sup>1</sup>	82,252,010	11,220,834	(55,581,399)	37,891,445
Total utility plant	1,359,668,545	67,184,406	(59,511,926)	1,367,341,025
Less accumulated depreciation				
electric plant:				
Trimble County Unit No. 1	(77,666,382)	(3,905,462)	2,943,013	(78,628,831)
Trimble County Unit No. 2	(59,827,175)	(6,356,792)	-	(66,183,967)
Prairie State Unit No. 1	(93,999,133)	(8,918,852)	149,518	(102,768,467)
Prairie State Unit No. 2	(83,726,202)	(8,217,646)	-	(91,943,848)
Mobile generation	(2,180,332)	(107,172)	-	(2,287,504)
Prairie State, Common	(39,771,200)	(3,785,703)	166,636	(43,390,267)
Prairie State, Jordan Grove	(1,352,989)	-	153,095	(1,199,894)
Prairie State, Nearfield	(2,689,118)	(360,691)	-	(3,049,809)
Prairie State, Other	(4,230,475)	(381,631)	200,796	(4,411,310)
Prairie State, Mine	(29,477,694)	(3,063,745)	202,634	(32,338,805)
Prairie State, Coal Reserves	(5,411,293)	(564,611)	-	(5,975,904)
Office building	(4,123,630)	(285,966)	-	(4,409,596)
Office furniture and equipment	(524,382)	(13,438)	48,559	(489,261)
Supervisory control and data acquisition equipment	(2,461,460)	(72,598)	1,544	(2,532,514)
Winnetka 138 interconnect	(444,447)	(16,666)	-	(461,113)
Other equipment	(399,557)	(45,256)	37,093	(407,720)
Total accumulated depreciation	(408,285,469)	(36,096,229)	3,902,888	(440,478,810)
Net utility plant	\$ 951,383,076			\$ 926,862,215

<sup>1</sup> Utility plant that is not being depreciated.

## Illinois Municipal Electric Agency

### Notes to Financial Statements

April 30, 2025 and 2024

## 6. Long-Term Obligations

IMEA has issued the following revenue bonds:

Date	Purpose	Final Maturity	Interest Rates	Original Issue	Outstanding Amount 4/30/25
July 15, 2009	Debt service and capital improvements *	Feb. 1, 2035	5.33-6.13%	\$294,755,000	\$179,160,000
Nov. 30, 2010	Debt service and capital improvements *	Feb. 1, 2035	2.47-7.29	140,290,000	77,035,000
April 1, 2015	Refunding 2006 and 2007A bonds	Feb. 1, 2035	4.00-5.00	594,685,000	387,405,000

\* The 2009C and 2010A revenue bonds are taxable Build America Bonds. IMEA receives a 35% interest subsidy from the federal government for these bonds. During Federal fiscal years 2025 and 2024, the U.S. federal government was subject to the process of sequestration reducing spending amounts for many programs including payments to the issuers of BAB's. A 5.7% reduction in payments for the federal budget year ended September 30, 2025 and 2024, was experienced. The subsidy payment is not taken into account in the debt service displayed below.

The annual debt service and sinking fund requirements of the remaining bonds to maturity are as follows:

	Principal	Interest	Total
Years ending April 30:			
2026	\$ 51,725,000	\$ 35,867,222	\$ 87,592,222
2027	54,215,000	32,871,461	87,086,461
2028	56,805,000	29,732,542	86,537,542
2029	59,550,000	26,444,687	85,994,687
2030	62,410,000	22,999,139	85,409,139
2031-2035	358,895,000	58,604,383	417,499,383
Total	<u>\$ 643,600,000</u>	<u>\$ 206,519,434</u>	<u>\$ 850,119,434</u>

Repayment of the bonds is secured by a pledge of IMEA's revenues.

IMEA's outstanding revenue bonds contain event of default provisions with possible finance-related consequences. IMEA's management has evaluated the event of default provisions with possible finance-related consequences and in the opinion of IMEA's management; the likelihood is remote that these provisions will have a significant effect on IMEA's financial position or results of operations.

## Illinois Municipal Electric Agency

### Notes to Financial Statements

April 30, 2025 and 2024

#### Committed Line of Credit

On October 29, 2010, IMEA entered into a \$25 million Committed Line of Credit agreement (LOC Agreement) with PNC Bank. Under the LOC Agreement, IMEA may draw funds and/or post standby letters of credit. The LOC Agreement was increased to \$50 million on September 1, 2012 and expires on October 31, 2027. IMEA had \$0 outstanding under the LOC Agreement as of April 30, 2025 and April 30, 2024.

Long-term obligation activity for the year ended April 30, 2025 is as follows:

	<b>Balance 5/1/24</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 4/30/25</b>	<b>Due Within One Year</b>
Revenue bonds	\$ 693,605,000	\$ -	\$ 50,005,000	\$ 643,600,000	\$ 51,725,000
Unamortized premium	28,258,722	-	4,466,005	23,792,717	-
Other liabilities	15,657,903	248,014	2,677,026	13,228,891	-
<b>Total</b>	<b>\$ 737,521,625</b>	<b>\$ 248,014</b>	<b>\$ 57,148,031</b>	<b>\$ 680,621,608</b>	<b>\$ 51,725,000</b>

Long-term obligation activity for the year ended April 30, 2024 is as follows:

	<b>Balance 5/1/23</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 4/30/24</b>	<b>Due Within One Year</b>
Revenue bonds	\$ 741,355,000	\$ -	\$ 47,750,000	\$ 693,605,000	\$ 50,005,000
Line of credit agreement	2,000,000	-	2,000,000	-	-
Unamortized premium	33,040,821	-	4,782,099	28,258,722	-
Other liabilities	23,251,496	89,056	7,682,649	15,657,903	-
<b>Total</b>	<b>\$ 799,647,317</b>	<b>\$ 89,056</b>	<b>\$ 62,214,748</b>	<b>\$ 737,521,625</b>	<b>\$ 50,005,000</b>

#### 7. Accounting for Asset Retirement Obligations

An asset retirement obligation represents a legal obligation associated with the retirement of a tangible, long-lived asset that is incurred upon the acquisition, construction, development or normal operation of that long-lived asset.

The asset retirement obligation includes the closure of ash ponds at the Trimble County plant site and mine closure and mine reclamation at the Prairie State Generating facility. Other asset retirement obligations are not significant to these financial statements. IMEA used estimated cash flows to determine the obligation.

## Illinois Municipal Electric Agency

Notes to Financial Statements

April 30, 2025 and 2024

The following table presents the details of IMEA's asset retirement obligations, which are included on the balance sheet in other noncurrent liabilities:

<b>Balance 5/1/24</b>	<b>Liabilities Incurred (Adjustments)</b>	<b>Accretion</b>	<b>Costs Incurred</b>	<b>Balance 4/30/25</b>
\$ 14,881,465	\$ (683,642)	\$ 741,767	\$ (2,647,877)	\$ 12,291,713

<b>Balance 5/1/23</b>	<b>Liabilities Incurred (Adjustments)</b>	<b>Accretion</b>	<b>Costs Incurred</b>	<b>Balance 4/30/24</b>
\$ 15,643,662	\$ (103,031)	\$ 782,192	\$ (1,441,358)	\$ 14,881,465

### 8. Net Position

GASB No. 34 requires the classification of net position into three components - net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

**Net Investment in Capital Assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

**Restricted** - This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

**Unrestricted Net Position** - This component of net position consists of net positions that do not meet the definition of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for use, it is IMEA's policy to use restricted resources first, then unrestricted resources as they are needed.

## Illinois Municipal Electric Agency

### Notes to Financial Statements

April 30, 2025 and 2024

The following calculation supports the net investment in capital assets:

	<b>2025</b>	<b>2024</b>
Utility plant in service	\$ 1,335,082,256	\$ 1,329,449,580
Accumulated depreciation	(474,543,742)	(440,478,810)
Construction work in progress	41,080,747	37,891,445
Subtotal	901,619,261	926,862,215
Less capital-related debt:		
Current portion of capital related long-term debt	51,725,000	50,005,000
Long-term portion of capital related long-term debt	591,875,000	643,600,000
Unamortized loss on advance refunding	(12,657,477)	(15,033,344)
Unamortized premium	23,792,717	28,258,722
Subtotal	654,735,240	706,830,378
Add unspent debt proceeds:		
Debt service reserve from borrowing	77,508,171	76,144,356
Total net investment in capital assets	\$ 324,392,192	\$ 296,176,193

The following calculation supports the amount of restricted net position:

	<b>2025</b>	<b>2024</b>
Restricted investments	\$ 98,371,687	\$ 97,226,562
Less restricted assets not funded by revenues:		
Debt service reserve account	(77,508,171)	(76,144,356)
Current liabilities payable from restricted assets	(8,818,185)	(9,570,392)
Subtotal	(86,326,356)	(85,714,748)
Total restricted net position as calculated	\$ 12,045,331	\$ 11,511,814

## Illinois Municipal Electric Agency

Notes to Financial Statements

April 30, 2025 and 2024

### 9. Regulatory Items

IMEA has chosen to use the application of GASB No. 62 to recover certain costs in customer rates in future periods. Regulatory costs for future recovery include unamortized debt issuance costs; unrealized loss (gain) on investments represents the difference between an investment's cost and the current fair value of the asset. The residual value of the impaired assets are reported in IMEA capital assets. Regulatory credits include MISO ARR credits related to auction revenue rights that were higher than anticipated during rate setting. The following summarizes activity for regulatory items:

	<b>Balance 5/1/24</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 4/30/25</b>
Regulatory costs for future recovery	\$ 1,443,722	\$ -	\$ 228,747	\$ 1,214,975
Unrealized (gain)/loss on investments	1,522,305	-	2,299,097	(776,792)
Total	<u>\$ 2,966,027</u>	<u>\$ -</u>	<u>\$ 2,527,844</u>	<u>\$ 438,183</u>

	<b>Balance 5/1/23</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 4/30/24</b>
Regulatory costs for future recovery	\$ 1,688,727	\$ -	\$ (245,005)	\$ 1,443,722
Unrealized (gain)/loss on investments	641,238	881,067	-	1,522,305
MISO ARR credits	(6,909,337)	-	6,909,337	-
Total	<u>\$ (4,579,372)</u>	<u>\$ 881,067</u>	<u>\$ 6,664,332</u>	<u>\$ 2,966,027</u>

### 10. Employee Retirement Plan

IMEA's employees are covered by the Illinois Municipal Electric Agency Pension Plan, a defined contribution pension plan with a 5-year vesting schedule. Benefit provisions and all other requirements are established by the board of IMEA. IMEA contributes 25% of eligible employee earnings on behalf of each employee. Employees that terminate service prior to being fully vested, forfeit the unvested portion of their account balance, which is applied to future contributions to the plan. Total pension expense was equal to total contributions to the plan made by IMEA, net of applied forfeitures. For the years ended April 30, 2025 and 2024 total contributions were \$1,200,000 and \$1,018,000, respectively.

### 11. Contracts and Commitments

IMEA has long-term and short-term contracts and commitments with various wholesale power suppliers to supply energy, capacity and transmission services to its members. These contracts vary in length and have flexible terms and cancellation provisions. These contracts may be material to the financial statements.

In the normal course of business, IMEA may be involved in various disputes with other parties. While management cannot predict the ultimate outcome of these disputes, total exposure is not material to IMEA's financial position or results of operation.

## 12. Illinois Senate Bill (SB) 2408

In 2021, Illinois passed SB 2408, the Climate and Equitable Jobs Act (CEJA). The CEJA requires a 45% reduction in existing publicly owned Illinois power plant carbon dioxide emissions by January 1, 2035. If such reduction is not met by December 31, 2035, then the plant must retire one or more units or otherwise reduce carbon dioxide emissions by 45% by June 30, 2038. The CEJA further requires all publicly owned coal-fired generating units to permanently reduce carbon dioxide emission to 0 by December 31, 2045.

The CEJA does, however, provide that if the reduction of output from or the closing of any plant creates a power grid supply or reliability shortfall in the State of Illinois the plant can continue to operate until the reliability can otherwise be addressed. In the past, Illinois has been a net capacity importer. With the announced and required retirements, there is potential that Illinois will need to import more capacity into the future.

The CEJA has a limited future impact on IMEA's ownership share of the Prairie State Generating Company, LLC (PSGC or Prairie State). The CEJA will not adversely affect IMEA's ability to pay bondholders due to all bonds maturing on February 1, 2035 or to reliably provide members with their power supply requirements. IMEA and the other owners of Prairie State have and continue to develop plans to manage the potential impacts of the CEJA. Potential impacts cannot be gauged with certainty at this time.

## 13. Sierra Club Lawsuit

IMEA holds a 15.17% undivided ownership interest in the Prairie State Energy Campus (PSEC) which is operated through the Prairie State Generating Company (PSGC). On October 20, 2022, the PSGC received a Notice of Intent (NOI) to file suit from the Sierra Club (SC) alleging violations of the Federal Clean Air Act. The NOI to PSGC allowed SC to file suit on or after December 19, 2022. On March 22, 2023, the SC filed a suit against PSGC. The SC alleges that PSEC is in violation of the Federal Clean Air Act because it does not have a Title V permit from the Illinois Environmental Protection Agency (IEPA). PSEC however does have and is believed to be operating legally under its Prevention of Significant Deterioration (PSD) permit from the IEPA. On April 16, 2025, Sierra Club and Prairie State filed a joint Stipulation of Dismissal with Prejudice. The U.S. District Court for Southern Illinois accepted the joint stipulation. Stipulation of dismissal is effective immediately upon filing and does not require judicial approval.

## 14. Emission Regulations

On May 9, 2024, the U.S. Environmental Protection Agency (USEPA) issued rules governing greenhouse gas emissions, effluent limitations from coal-fired power plants and ozone standards. These rules are facing many legal challenges, also numerous motions to stay the new rules have been filed. If these new rules survive legal challenge, then they may have an impact on IMEA's generation sources. IMEA continues to monitor these proceedings and will take appropriate action concerning the rules, as necessary.

## 15. Significant Customers

IMEA has two significant customers who were responsible for 48% of operating revenue in both 2025 and 2024.

## **Illinois Municipal Electric Agency**

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Notes to Financial Statements  
April 30, 2025 and 2024

### **16. Risk Management**

IMEA is exposed to various risks of loss related to torts, theft of, damage to or destruction of assets, errors and omissions, workers compensation and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.



# **Reporting and insights from the 2025 audit:**

Illinois Municipal Electric Agency  
Springfield, Illinois

April 30, 2025

# Executive summary

July 28, 2025

Board of Directors  
Illinois Municipal Electric Agency  
3400 Conifer Drive  
Springfield, IL 62711

We have completed our audit of the financial statements of Illinois Municipal Electric Agency (IMEA) for the year ended April 30, 2025, and have issued our report thereon dated July 28, 2025. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of IMEA's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

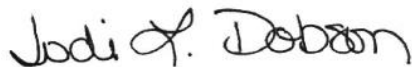
Additionally, we have included information on key risk areas IMEA should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

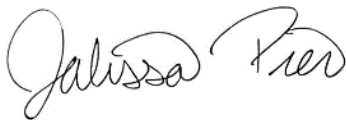
- Jodi Dobson, Principal: [jodi.dobson@bakertilly.com](mailto:jodi.dobson@bakertilly.com) or +1 (608) 240 2469
- Jalissa Pier, Senior Manager: [jalissa.pier@bakertilly.com](mailto:jalissa.pier@bakertilly.com) or +1 (608) 240 2601

Sincerely,

Baker Tilly US, LLP



Jodi Dobson, CPA, Principal



Jalissa Pier, CPA, Senior Manager

THIS COMMUNICATION IS INTENDED SOLELY FOR THE INFORMATION AND USE OF THOSE CHARGED WITH GOVERNANCE, AND, IF APPROPRIATE, MANAGEMENT, AND IS NOT INTENDED TO BE AND SHOULD NOT BE USED BY ANYONE OTHER THAN THESE SPECIFIED PARTIES.

BAKER TILLY ADVISORY GROUP, LP AND BAKER TILLY US, LLP, TRADING AS BAKER TILLY, ARE MEMBERS OF THE GLOBAL NETWORK OF BAKER TILLY INTERNATIONAL LTD., THE MEMBERS OF WHICH ARE SEPARATE AND INDEPENDENT LEGAL ENTITIES. BAKER TILLY US, LLP IS A LICENSED CPA FIRM THAT PROVIDES ASSURANCE SERVICES TO ITS CLIENTS. BAKER TILLY ADVISORY GROUP, LP AND ITS SUBSIDIARY ENTITIES PROVIDE TAX AND CONSULTING SERVICES TO THEIR CLIENTS AND ARE NOT LICENSED CPA FIRMS.

# Responsibilities

## Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of IMEA's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of the Board of Directors:
  - Are free from material misstatement
  - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America
- Our audit does not relieve management or the Board of Directors of their responsibilities.

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of the Board of Directors, including:

- Internal control matters
- Qualitative aspects of IMEA's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditors' report
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Other audit findings or issues

# Audit status

## Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

# Audit approach and results

## Planned scope and timing

### Audit focus

Based on our understanding of IMEA and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about IMEA's current year results.

## Key areas of focus and significant findings

### Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion
Improper revenue recognition due to fraud	Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on non-financial data and substantive testing of related receivables	Procedures identified provided sufficient evidence for our audit opinion

## Other areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Asset retirement obligations	Long-term debt
Capital assets including infrastructure	Net position calculations	Financial reporting and required disclosures
Regulatory assets and liabilities		

## Internal control matters

We considered IMEA's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of IMEA's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

# Required communications

## Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by IMEA are described in Note 1 to the financial statements. As described in Note 1, IMEA changed accounting policies related to compensated absences by adopting GASB 101 in 2025. We noted no transactions entered into by IMEA during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Asset retirement obligation	Evaluation of information provided by Prairie State and Trimble County for IMEA's proportionate share of their Facilities, and internal estimates from subject matter experts for other AROs	Reasonable in relation to the financial statements as a whole

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

## Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for IMEA or that otherwise appear to be unusual due to their timing, size or nature.

## Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

## **Disagreements with management**

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

## **Audit report**

There have been no departures from the auditors' standard report.

## **Audit consultations outside the engagement team**

We encountered no difficult or contentious matters for which we consulted outside of the engagement team.

## **Uncorrected misstatements and corrected misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements identified.

## **Other audit findings or issues**

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as IMEA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## **Management's consultations with other accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

## **Written communications between management and Baker Tilly**

The attachments include copies of other material written communications, including a copy of the management representation letter.

## **Compliance with laws and regulations**

We did not identify any non-compliance with laws and regulations during our audit.

## **Fraud**

We did not identify any known or suspected fraud during our audit.

## **Going concern**

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of IMEA's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date of the financial statements, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

## **Independence**

We are not aware of any relationships between Baker Tilly and IMEA that, in our professional judgment, may reasonably be thought to bear on our independence.

## **Related parties**

We did not have any significant findings or issues arise during the audit in connection with IMEA's related parties.

## **Other matters**

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

## **Nonattest services**

The following nonattest services were provided by Baker Tilly:

- Financial statement preparation assistance

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

*\*Nonattest services are provided by Baker Tilly Advisory Group, LP.*

# Audit committee resources

Our business is to know every aspect of yours and to maintain a constant lookout for what's next. We invite you to learn about some of the trending challenges and opportunities for public sector organizations like yours and how Baker Tilly can help.

To explore more trending topics and regulatory updates, visit our resource page at <https://www.bakertilly.com/insights/audit-committee-resource-page>.



## Funding evaluation and pursuit

Public sector organizations may be eligible for grants, tax credits and other financial incentives through funding opportunities such as the Inflation Reduction Act, the Clean Communities Investment Accelerator, and the Infrastructure Investment and Jobs Act.

Baker Tilly can help you navigate, understand and pursue various federal and state funding sources through grant research and tracking, advising and writing, and management and compliance services.



## Digital transformation

Digitizing public services can be a game changer for governments. Streamlining inefficient processes, providing digital access and delivery of services to meet public expectations, implementing technology to protect constituent data, leveraging information to make data-driven decisions and migrating outdated on-premises systems to the cloud are crucial to an entity's success.

Through these types of digital services, Baker Tilly can help you scale with future demand and be better positioned to rapidly respond to changing demands.



## Cybersecurity

Public sector organizations face significant challenges from cyber threats and IT regulations. It can feel like you are on the defense keeping up with the latest risks, regulations and emerging trends. To mitigate risk, you must understand your organization's unique vulnerabilities, cybersecurity processes and controls.

Baker Tilly can help enhance your cybersecurity posture and ensure compliance with solutions in IT compliance and security and cybersecurity and data protection to safeguard your data and navigate complex risk environments.

# Management representation letter



Illinois Municipal Electric Agency  
3400 Conifer Drive, Springfield, IL 62711  
217-789-4632 / Fax 217-789-4642

July 28, 2025

Baker Tilly US, LLP  
4807 Innovate Ln  
P.O. Box 7398  
Madison, WI 53707-7398

Dear Baker Tilly US, LLP:

We are providing this letter in connection with your audit of the financial statements of the Illinois Municipal Electric Agency as of April 30, 2025 and 2024 and for the years then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Illinois Municipal Electric Agency and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America (GAAP). We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

#### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 7, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all properly classified funds and other financial information of the utility required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, if any, are reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of accounting principles generally accepted in the United States of America.
- 7) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 8) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 9) There are no known or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
- 10) Guarantees, whether written or oral, under which the Agency is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) We have disclosed to you results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a) Management,
  - b) Employees who have significant roles in internal control, or
  - c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.

- 15) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you the names of our related parties and all the related party relationships and transactions, including side agreements, of which we are aware.

**Other**

- 17) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 18) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that you have reported to us.
- 19) We have a process to track the status of audit findings and recommendations.
- 20) We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for our report.
- 22) The Agency has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, or net position.
- 23) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 24) There are no:
  - a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
  - b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
  - c) Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
  - d) Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.

- 25) In regards to the nonattest services performed by you listed below, we acknowledge our responsibility related to these nonattest services and have 1) accepted all management responsibility; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.

a) Financial statement preparation assistance

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

- 26) The Illinois Municipal Electric Agency has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 27) The Illinois Municipal Electric Agency has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 28) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any.
- 29) The financial statements properly classify all funds and activities.
- 30) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 31) The Illinois Municipal Electric Agency has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.
- 32) Provisions for uncollectible receivables, if any, have been properly identified and recorded.
- 33) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).
- 34) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.
- 35) The operations and rate setting process meet the condition for application of accounting for regulated operations as outlined in GASB No. 62. All regulatory items included in the financial statements have been approved and are being accounted for in accordance with specific action taken by the regulatory body and as such the expectation of future recovery or refund is reasonable.
- 36) We have accounted for asset retirement obligations where we are a minority owner in accordance with FASB ASC 410, *Asset Retirement and Environmental Obligations* as allowed by GASB No. 83. All legal obligations, including those under the doctrine of promissory estoppels, associated with the retirement of tangible long-lived assets have been recognized. These obligations were recognized when incurred using management's best estimate of fair value. We believe the liability as presented is reasonable and fairly stated.
- 37) We have appropriately disclosed the Illinois Municipal Electric Agency's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy.

- 38) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 39) We assume responsibility for, and agree with, the findings of specialists in evaluating the arbitrage rebate calculations and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.
- 40) The auditing standards define an annual report as "a document, or combination of documents, typically prepared on an annual basis by management or those charged with governance in accordance with law, regulation, or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity's operations and the financial results and financial position as set out in the financial statements." Among other items, an annual report contains, accompanies, or incorporates by reference the financial statements and the auditors' report thereon. Our annual report is comprised of audited financial statements, comparative financial information and updates to members. We will provide you with the final version of the annual report once available, and prior to distribution to our stakeholders, such that you may complete your required procedures.
- 41) The Illinois Municipal Electric Agency is not aware of any subsequent events related to Prairie State Generating Company or the Trimble County Generating Facility that would affect the Agency's financial statements.
- 42) We have reviewed existing contracts and determined there are no items requiring accounting or reporting as leases.
- 43) We have reviewed existing contracts and determined there are no items requiring accounting or reporting as subscription-based information technology arrangements.
- 44) We have implemented GASB Statement No. 101, *Compensated Absences*, and believe that all required disclosures and accounting considerations have been identified and properly classified in the financial statements in compliance with the Standard.

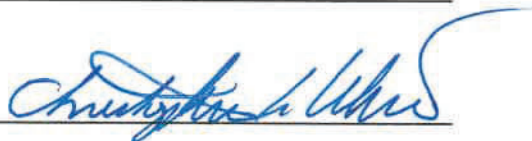
Sincerely,

Illinois Municipal Electric Agency

Signed: \_\_\_\_\_



Signed: \_\_\_\_\_



# Client service team



**Jodi Dobson, CPA**  
**Principal**

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Madison, Wisconsin 53718  
United States

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# Accounting changes relevant to Illinois Municipal Electric Agency

## Future accounting standards update

GASB statement number	Description	Potentially impacts you	Effective date
102	Certain risk disclosures	✓	4/30/25
103	Financial reporting model improvements	✓	4/30/26
104	Disclosure of certain capital assets	✓	4/30/26

Further information on upcoming [GASB pronouncements](#).

## New guidance on disclosure of certain risks

The requirements in GASB Statement No. 102, *Certain Risk Disclosures* is meant to provide financial statement users with information about certain risks when circumstances make a government vulnerable to a heightened possibility of loss or harm. It requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints.

- (a) The Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow or outflow of resources - for example, a small number of companies that represent a majority of employment in a government's jurisdiction, or a government that relies on one revenue source for most of its revenue.
- (b) The Statement defines a constraint as a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority - such as a voter-approved property tax cap or a state-imposed debt limit.

Concentrations and constraints may limit a government's ability to acquire resources or control spending.

The Statement generally requires a government to disclose information about a concentration or constraint if all of the following criteria are met:

- (a) The concentration or constraint is *known* to the government prior to issuing the financial statements.
- (b) The concentration or constraint makes the government vulnerable to the risk of a substantial impact.
- (c) An event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The disclosures should include a description of the following:

- The concentration or constraint,
- Each event associated with the concentration or constraint that could cause a substantial impact if the event has occurred or has begun to occur prior to the issuance of the financial statements, and
- Actions taken by the government to mitigate the risk prior to the issuance of the financial statements.

## **Changes to the financial reporting model**

GASB Statement 103, *Financial Reporting Model Improvements*, builds on Statement 34 by providing key targeted improvements to the financial reporting model. Its requirements are designed to:

- Enhance the effectiveness of governmental financial reports in providing information essential for decision making and assessing a government's accountability, and
- Address certain application issues.

The targeted improvements contained in Statement 103 establish or modify existing accounting and financial reporting requirements related to:

- Management's discussion and analysis - While the overall requirements do not substantially change management's discussion and analysis, the modifications are meant to improve the analysis included in this section and provide details about the items that should be discussed as currently known facts, decisions, or conditions expected to have a significant financial effect in the subsequent period.
- Unusual or infrequent items (previously known as extraordinary and special items) - The new Statement simplifies GASB literature by eliminating the separate presentation of extraordinary and special items. Under the requirement of Statement 103, applicable items will either be identified as unusual or infrequent, or both.
- Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position - The changes are designed to improve consistency around the classification of items in these statements by better defining what should be included in operating revenues and expenses and nonoperating revenues and expenses including, for example, the addition of subsidies received or provided as a new category of nonoperating revenues and expenses.
- Major component unit information, and Budgetary comparison information - Statement 103 is designed to improve the consistency of the reporting of major component unit information and budgetary comparison information by specifying required placement of that information.

## Revisions to disclosures for certain capital assets

Governments are required to provide information on capital assets in the footnotes to the financial statements as outlined in GASB Statement No. 34. Recent standards have impacted the accounting and reporting for capital assets and as a result GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* to provide enhanced disclosures for certain capital assets, including:

- (a) Lease assets reported under Statement No. 87, intangible right-to-use assets reported under Statement No. 94 and subscription assets reported under Statement No. 96 should all be disclosed separately, and by major class of underlying asset. In addition, if there are any other intangible assets reported they should also be disclosed separately.
- (b) Capital assets that are held for sale should have the ending balance with separate disclosure for historical cost and related accumulated depreciation as well as any outstanding debt for which the asset is pledged as collateral disclosed by major class of asset. Assets held for sale are defined as those for which the government has decided to pursue the sale, and it is probable that the sale will be finalized within one year of the financial statement date.

While these changes are focused on footnote disclosures it is important to plan ahead to ensure the required information is available for implementation.

# Two-way audit communications

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
  - Identify types of potential misstatements.
  - Consider factors that affect the risks of material misstatement.
  - Design tests of controls, when applicable, and substantive procedures.
- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs.
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America.

- e. In connection with our audit, we intend to place reliance on the audit of the financial statements of Prairie State Generation Company, LLC, a power supply partner of IMEA, as of December 31, 2024 and for the year then ended completed by Forvis, LLP. All necessary conditions have been met to allow us to make reference to the component auditors.
- f. In connection with our audit, we have requested that Forvis, LLP perform work on the financial information of Prairie State Generation Company, LLC, a power supply partner of IMEA, as of December 31, 2024 and for the year then ended. We intend to evaluate and, if considered necessary, use the work of Forvis, LLP for our audit of the group financial statements of IMEA, and we may consider it necessary to be further involved in their work.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. We anticipate that IMEA will receive an unmodified opinion on its financial statements.
- e. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- f. Have you had any significant communications with regulators or grantor agencies?
- g. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of April-May, and sometimes early in June. Our final financial fieldwork is scheduled during June to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.



*Financial Statements as of May 31, 2025*



# Illinois Municipal Electric Agency

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*Unaudited Financial Statements as of May 31, 2025*



# Illinois Municipal Electric Agency

## STATEMENT OF NET POSITION

	May 31, 2025	May 31, 2024
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
<b><u>UTILITY PLANT IN SERVICE</u></b>		
Prairie State	\$936,957,525.58	\$933,039,682.79
Trimble County Units 1 & 2	381,289,126.13	379,499,038.16
Mobile Generation Equipment	3,216,609.02	3,214,844.57
Winnetka 138 Interconnect	500,000.00	500,000.00
Other Property and Equipment	13,344,055.57	13,245,511.77
Total Utility Plant in Services (at cost)	1,335,307,316.30	1,329,499,077.29
Less: Accumulated Depreciation	(477,424,012.62)	(443,422,853.46)
Net Utility Plant in Service	857,883,303.68	886,076,223.83
<b><u>CONSTRUCTION WORK IN PROGRESS</u></b>		
Prairie State	7,425,899.12	7,408,937.14
Trimble County Station	34,411,127.22	31,565,297.09
Net Construction Work in Progress	41,837,026.34	38,974,234.23
<b><u>RESTRICTED ASSETS</u></b>	104,937,362.31	104,141,989.13
<b><u>CURRENT ASSETS</u></b>		
Cash	83,923,389.62	73,790,737.69
Short-term Investments	39,832,505.25	37,606,877.66
Accounts Receivable	25,844,558.86	26,999,003.87
Renewable Energy Credits	479,564.88	1,411,891.32
Collateral Held for Others	535,237.98	523,487.07
Prepayments	32,867,869.81	29,211,470.51
Total Current Assets	183,483,126.40	169,543,468.12
<b><u>OTHER ASSETS</u></b>		
Unamortized Debt Expense	1,196,962.56	1,424,309.62
Prairie State-Other LT Assets	1,521,910.39	407,419.83
Change in Market Value of Investments	46,462.13	1,243,733.97
Other Deferred Assets	0.00	0.00
Total Other Assets	2,765,335.08	3,075,463.42
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Total Deferred Outflows of Resources	12,470,359.20	14,831,731.49
<b>TOTAL ASSETS</b>	<b>\$1,203,376,513.01</b>	<b>\$1,216,643,110.22</b>



# Illinois Municipal Electric Agency

## STATEMENT OF NET POSITION

	May 31, 2025	May 31, 2024
<u>NET POSITION</u>	<u>\$494,913,830.29</u>	<u>\$449,893,780.85</u>
<u>NON-CURRENT LIABILITIES</u>		
Revenue Bonds (excludes current maturities)	591,875,000.00	643,600,000.00
Unamortized Premium	23,440,985.77	27,879,742.74
Other Long-term Debt-PNC LOC	0.00	0.00
Other Liabilities	14,586,376.21	16,035,091.75
Other Deferred Liabilities	0.00	0.00
Total Non-Current Liabilities	<u>629,902,361.98</u>	<u>687,514,834.49</u>
<u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Expenses		
Accounts Payable		
Purchased Power	7,579,614.13	8,116,805.29
Jointly-owned facilities	7,203,392.83	7,451,937.83
Other	96,674.23	94,992.92
Collateral Due to Others	536,051.83	524,688.52
Other Current Liabilities	470,099.12	174,210.31
Total Accounts Payable and Accrued Expenses	<u>14,945,633.90</u>	<u>16,362,634.87</u>
Current Liabilities Payable from Restricted Assets		
Current Maturities of Revenue Bonds	51,725,000.00	50,005,000.00
Interest Accrued	11,889,686.84	12,866,860.01
Total Current Liabilities	<u>78,560,320.74</u>	<u>79,234,494.88</u>
Total Liabilities	<u>708,462,682.72</u>	<u>766,749,329.37</u>
 TOTAL NET POSITION AND LIABILITIES	 <u><u>\$1,203,376,513.01</u></u>	 <u><u>\$1,216,643,110.22</u></u>



# Illinois Municipal Electric Agency

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	One Month Ended May 31, 2025	One Month(s) Ended May 31, 2025	One Month(s) Ended May 31, 2024
<b>OPERATING REVENUES</b>			
Sales to Members	\$24,375,719.71	\$24,375,719.71	\$24,776,792.80
Sales to Others	0.00	0.00	0.00
Other Electric Revenue	0.00	0.00	0.00
Membership Assessments	0.00	0.00	0.00
Other income	(131,827.31)	(131,827.31)	(39,305.58)
Total Operating Revenues	24,243,892.40	24,243,892.40	24,737,487.22
<b>OPERATING EXPENSES</b>			
Purchased power	3,627,331.05	3,627,331.05	2,712,002.65
Transmission	5,482,004.00	5,482,004.00	5,156,413.62
Trimble County Units 1 & 2:			
Fuel	830,952.75	830,952.75	2,088,014.83
Operations and Maintenance	860,154.01	860,154.01	553,503.97
Prairie State Generating Company:			
Fuel	2,082,093.67	2,082,093.67	1,625,312.46
Operations and Maintenance	2,326,832.07	2,326,832.07	2,353,868.51
Member Payments:			
Fuel Reimbursements	76,883.92	76,883.92	48,722.28
Capacity Payments	779,649.00	779,649.00	678,304.40
Generation Payments	0.00	0.00	108.83
Other Utility Operations	117,814.41	117,814.41	159,879.13
Administration and General	822,097.79	822,097.79	871,289.18
Depreciation & Depletion Expense	2,931,623.84	2,931,623.84	3,035,022.40
Total Operating Expenses	19,937,436.51	19,937,436.51	19,282,442.26
Operating Income	4,306,455.89	4,306,455.89	5,455,044.96
<b>NON-OPERATING REVENUE (EXPENSES)</b>			
Interest Income	749,087.59	749,087.59	830,429.08
Interest Expense on Revenue Bonds	(3,071,502.43)	(3,071,502.43)	(3,296,468.27)
Interest Expense on PNC LOC	0.00	0.00	0.00
Federal BABS Revenue	535,142.44	535,142.44	572,031.00
State Grant Revenue (Expense)	0.00	0.00	0.00
Interest Charged to Construction	0.00	0.00	0.00
Amortization Expense	146,602.28	146,602.28	157,953.55
Other Revenue	(264.00)	(264.00)	6,248.46
Total Non-Operating Expenses	(1,640,934.12)	(1,640,934.12)	(1,729,806.18)
CHANGE IN NET POSITION	2,665,521.77	2,665,521.77	3,725,238.78
Net Position - Beginning of Period	492,248,308.52	492,248,308.52	446,168,542.07
NET POSITION - END OF PERIOD	\$494,913,830.29	\$494,913,830.29	\$449,893,780.85



# Illinois Municipal Electric Agency

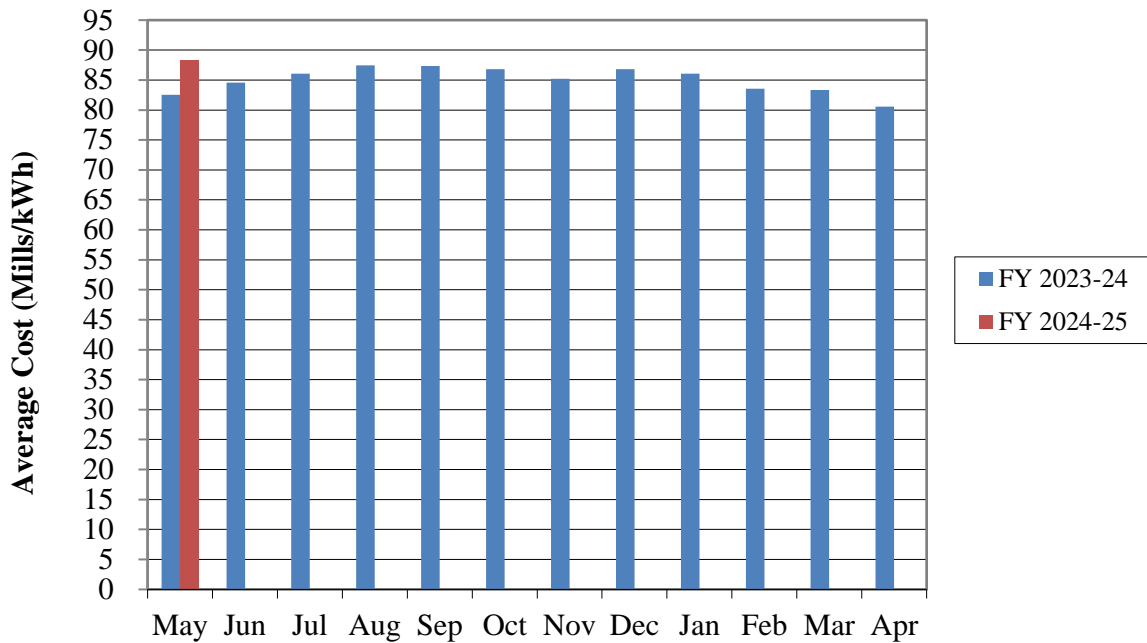
## STATEMENT OF CASH FLOW

	One Month Ended May 31, 2025	One Month(s) Ended May 31, 2025	One Month(s) Ended May 31, 2024
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Received from power sales	\$20,737,578	\$20,737,578	\$19,223,165
Received from sale of RECs	2,009,500	\$2,009,500	1,380,000
Paid to suppliers for purchased power and transmission	(9,286,670)	(\$9,286,670)	(7,328,516)
Paid to suppliers and employees for other services	(9,048,933)	(9,048,933)	(7,253,525)
Cash Flows from Operating Activities	<u>4,411,475</u>	<u>4,411,475</u>	<u>6,021,124</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Debt principal paid	\$0	\$0	\$0
Interest paid	0	0	0
BABS Payment from Federal Government	0	0	0
State Grant Received(Paid)	0	0	0
Acquisition and construction of capital assets	(866,777)	(866,777)	(1,087,560)
Preliminary engineering and survey charges	0	0	0
Proceeds from issuance of debt	0	0	0
Payment/Proceeds from PNC LOC	0	0	0
Premium received on debt issuance	0	0	0
Payment of Bond Issuance Costs	0	0	0
Funds Used in Refunding	0	0	0
Loss on refunding	0	0	0
Payment of ARO Liability	0	0	0
Payment of Arbitrage Rebate Liability	0	0	0
Cash Flows from Capital and Related Financing Activities	<u>(866,777)</u>	<u>(866,777)</u>	<u>(1,087,560)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest income	749,088	\$749,088	830,429
Payments to Members for Capital Costs	0	0	0
Purchase of long term investment	(6,902,071)	(6,902,071)	(6,991,766)
Maturity of long term investment	0	0	0
Cash Flows from Investing Activities	<u>(6,152,983)</u>	<u>(6,152,983)</u>	<u>(6,161,337)</u>
Net Change in Cash and Cash Equivalents	(2,608,285)	(2,608,285)	(1,227,773)
Cash and Cash Equivalents - Beginning of Period	<u>88,515,352</u>	<u>88,515,352</u>	<u>76,766,597</u>
CASH AND CASH EQUIVALENTS - END OF PERIOD	<u><u>\$85,907,067</u></u>	<u><u>\$85,907,067</u></u>	<u><u>\$75,538,824</u></u>
<b><u>RECONCILE CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET</u></b>			
Restricted investments		\$104,937,362	\$104,141,989
Cash		83,923,390	73,790,738
Short-term investments		<u>39,832,505</u>	<u>37,606,878</u>
Total Cash and Investments		228,693,257	215,539,604
Less: Long-term investments		<u>(142,786,190)</u>	<u>(140,000,780)</u>
TOTAL CASH AND CASH EQUIVALENTS		<u><u>\$85,907,067</u></u>	<u><u>\$75,538,824</u></u>
<b><u>RECONCILE OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Operating income	\$4,306,456	\$4,306,456	\$5,455,045
Noncash Items Included in Operating Income:			
Depreciation and Depletion	2,931,624	2,931,624	3,035,022
Other non-cash transactions	0	0	(34,869)
Changes in Current Assets and Liabilities:			
Accounts receivable	(2,781,609)	(2,781,609)	(4,826,492)
Renewable Energy Credits	2,009,500	2,009,500	1,380,000
Prepayments	(441,509)	(441,509)	264,247
Accounts payable:			
Purchased power	(177,335)	(177,335)	539,900
Jointly owned facilities	(1,345,935)	(1,345,935)	354,385
Other	(121,826)	(121,826)	(180,324)
Change in Regulatory Asset/Liability	0	0	0
Other current liabilities	32,109	32,109	34,210
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u><u>\$4,411,475</u></u>	<u><u>\$4,411,475</u></u>	<u><u>\$6,021,124</u></u>

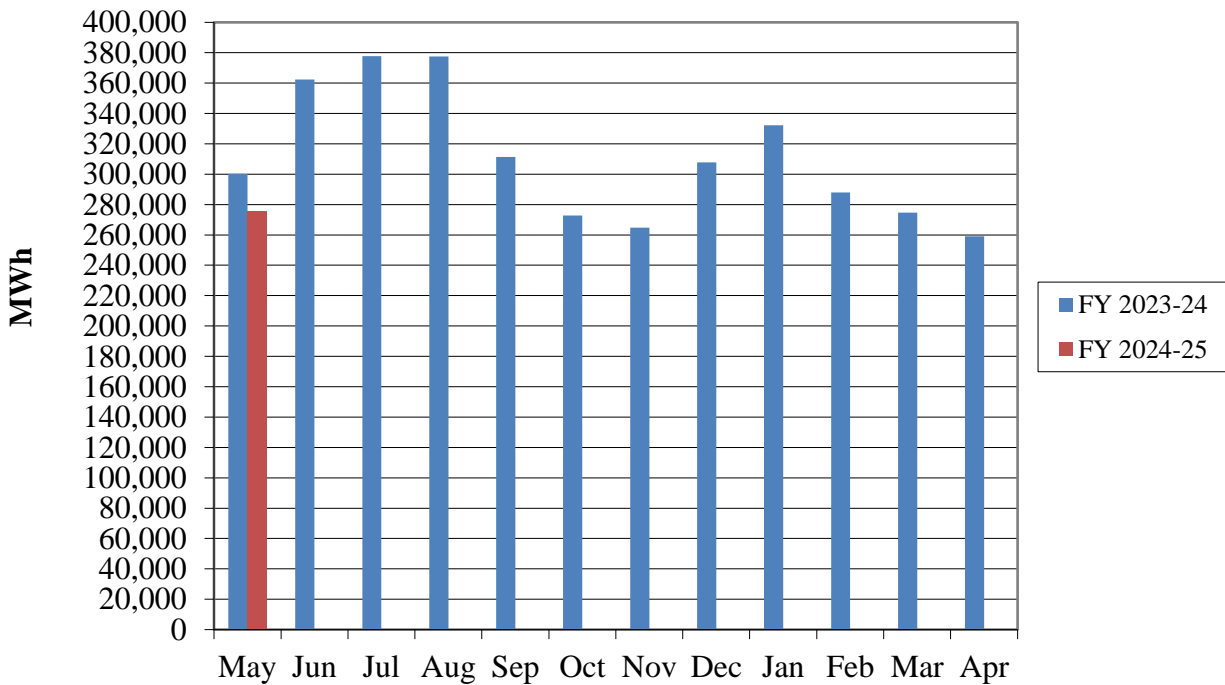


## Illinois Municipal Electric Agency

**IMEA Participating Member Average Cost**



**IMEA Monthly Energy Sales to Participating Members**





# Illinois Municipal Electric Agency

## *SCHEDULE OF POWER SALES*

	One Month Ended May 31, 2025	One Month Ended May 31, 2024	One Month(s) Ended May 31, 2025	One Month(s) Ended May 31, 2024
<b>POWER SALES</b>				
Altamont	\$157,505.27	\$161,658.01	\$157,505.27	\$161,658.01
Bethany	50,570.38	53,950.29	50,570.38	53,950.29
Breese	349,583.44	359,216.48	349,583.44	359,216.48
Bushnell	192,974.42	187,906.97	192,974.42	187,906.97
Cairo	341,792.71	313,957.93	341,792.71	313,957.93
Carlyle	213,317.17	226,579.80	213,317.17	226,579.80
Carmi	336,189.26	361,498.02	336,189.26	361,498.02
Casey	178,948.24	192,353.74	178,948.24	192,353.74
Chatham	587,691.05	608,642.77	587,691.05	608,642.77
Fairfield	350,762.61	375,743.33	350,762.61	375,743.33
Farmer City	110,531.26	109,849.31	110,531.26	109,849.31
Flora	724,683.92	740,942.02	724,683.92	740,942.02
Freeburg	255,994.21	288,111.25	255,994.21	288,111.25
Greenup	115,147.62	130,248.90	115,147.62	130,248.90
Highland	757,267.96	816,652.11	757,267.96	816,652.11
Ladd	69,828.21	66,720.24	69,828.21	66,720.24
Marshall	371,299.92	397,633.73	371,299.92	397,633.73
Mascoutah	459,038.65	451,414.84	459,038.65	451,414.84
Metropolis	457,052.33	495,880.38	457,052.33	495,880.38
Naperville	8,656,822.81	8,664,536.11	8,656,822.81	8,664,536.11
Oglesby	383,704.85	378,946.48	383,704.85	378,946.48
Peru	1,513,268.78	1,507,558.66	1,513,268.78	1,507,558.66
Princeton	640,772.75	644,026.86	640,772.75	644,026.86
Rantoul	1,073,945.02	1,096,663.51	1,073,945.02	1,096,663.51
Red Bud	302,231.86	338,784.28	302,231.86	338,784.28
Riverton	203,262.56	203,018.54	203,262.56	203,018.54
Rock Falls	457,467.51	401,878.78	457,467.51	401,878.78
Roodhouse	70,047.55	76,415.02	70,047.55	76,415.02
St. Charles	3,241,814.40	3,285,252.72	3,241,814.40	3,285,252.72
Sullivan	423,159.54	425,311.48	423,159.54	425,311.48
Waterloo	577,134.64	646,256.37	577,134.64	646,256.37
Winnetka	751,908.81	769,183.87	751,908.81	769,183.87
Total Power Sales to Participating Members	<u>\$24,375,719.71</u>	<u>\$24,776,792.80</u>	<u>\$24,375,719.71</u>	<u>\$24,776,792.80</u>
kWh Sales to Participating Members	276,006,021	300,118,434	276,006,021	300,118,434
Participating Member Average Cost (Mills/kWh)	\$88.32	\$82.56	\$88.32	\$82.56



# Illinois Municipal Electric Agency

## *SCHEDULE OF OPERATING EXPENSES*

	One Month Ended May 31, 2025	One Month(s) Ended May 31, 2025	Budget Year Ended April 30, 2025	Percent of Budget Expended as of May 31, 2025
<b><u>PURCHASED POWER</u></b>				
FPL Wind	\$1,284,789.83	\$1,284,789.83	\$17,663,000.00	7.27%
Illinois Power Marketing	0.00	0.00	1,990,000.00	0.00%
Green River	278,986.29	278,986.29	4,118,000.00	6.77%
Constellation	80,000.00	80,000.00	1,015,000.00	7.88%
Louisville Gas and Electric	0.00	0.00	10,000.00	0.00%
PJM	(2,259,350.59)	(2,259,350.59)	(54,199,000.00)	4.17%
Midwest ISO	3,827,146.27	3,827,146.27	87,432,000.00	4.38%
Other Suppliers	415,759.25	413,884.25	10,088,000.00	4.10%
Total Purchased Power	3,627,331.05	3,625,456.05	68,117,000.00	5.32%
<b><u>TRANSMISSION</u></b>				
Ameren through MISO	2,603,141.93	2,603,141.93	31,915,000.00	8.16%
PJM	2,261,750.48	2,261,750.48	31,128,000.00	7.27%
Midwest ISO	614,051.00	614,051.00	4,723,000.00	13.00%
Other Suppliers	3,060.59	3,060.59	48,000.00	6.38%
Total Transmission	5,482,004.00	5,482,004.00	67,814,000.00	8.08%
<b><u>TRIMBLE COUNTY AND PRAIRIE STATE</u></b>				
Fuel-Trimble County	806,761.88	806,761.88	20,066,000.00	4.02%
Scrubber reactant-Trimble County	24,190.87	24,190.87	549,000.00	4.41%
Fuel-Prairie State	2,082,093.67	2,082,093.67	27,255,000.00	7.64%
Total Fuel-Trimble County and Prairie State	2,913,046.42	2,913,046.42	47,870,000.00	6.09%
Operations and maintenance:				
Operations and Maintenance expenses-Trimble County	860,154.01	860,154.01	11,333,000.00	7.59%
Operations and Maintenance expenses-Prairie State	2,326,832.07	2,326,832.07	27,762,000.00	8.38%
Total O&M-Trimble County and Prairie State	3,186,986.08	3,186,986.08	39,095,000.00	8.15%
<b><u>MEMBER PAYMENTS</u></b>				
Fuel reimbursements	76,883.92	76,883.92	1,700,000.00	4.52%
Capacity payments	779,649.00	779,649.00	10,153,000.00	7.68%
Generation payments	0.00	0.00	25,000.00	0.00%
Total Member Payments	856,532.92	856,532.92	11,878,000.00	7.21%
<b><u>OTHER UTILITY OPERATIONS</u></b>				
Energy Efficiency Program	105,454.51	105,454.51	1,292,000.00	8.16%
Telemetry charges	3,518.92	3,518.92	85,000.00	4.14%
Meter testing supplies	97.69	97.69	20,000.00	0.49%
Mobile Generation	8,743.29	8,743.29	170,000.00	5.14%
Other	0.00	0.00	900,000.00	0.00%
Total Other Utility Operations	117,814.41	117,814.41	2,467,000.00	4.78%
<b><u>ADMINISTRATION AND GENERAL</u></b>				
Professional salaries	374,532.88	374,532.88	4,795,000.00	7.81%
Telephone	1,331.11	1,331.11	30,000.00	4.44%
Postage	214.40	214.40	7,000.00	3.06%
Photocopying and fax	0.00	0.00	18,000.00	0.00%
Office supplies	2,495.46	2,495.46	25,000.00	9.98%
Computer service and supplies	14,954.30	14,954.30	263,000.00	5.69%
Automobile	2,389.27	2,389.27	32,000.00	7.47%
Utilities	3,061.24	3,061.24	50,000.00	6.12%
Membership dues	54,701.39	54,701.39	661,000.00	8.28%



# Illinois Municipal Electric Agency

## *SCHEDULE OF OPERATING EXPENSES*

	One Month Ended May 31, 2025	One Month(s) Ended May 31, 2025	Budget Year Ended April 30, 2025	Percent of Budget Expended as of May 31, 2025
<u>ADMINISTRATION AND GENERAL CONTINUED</u>				
Library	\$560.66	\$560.66	\$8,000.00	7.01%
Travel	845.37	845.37	23,000.00	3.68%
Room rentals	544.03	544.03	34,000.00	1.60%
Meals	2,733.96	2,733.96	28,000.00	9.76%
Courses, programs and seminars	0.00	0.00	65,000.00	0.00%
Outside services				
Legal				
General Counsel-Litigation Support	0.00	0.00	0.00	0.00%
Special counsel	0.00	0.00	25,000.00	0.00%
Other	1,343.00	1,343.00	100,000.00	1.34%
Negotiations	0.00	0.00	250,000.00	0.00%
Engineering				
Outside engineering	41,692.14	41,692.14	641,000.00	6.50%
Other				
Financial services	5,350.00	5,350.00	256,000.00	2.09%
Legislative consultant	0.00	0.00	3,000.00	0.00%
Installation and repair	0.00	0.00	25,000.00	0.00%
Janitorial	1,700.00	1,700.00	24,000.00	7.08%
Building and grounds maintenance	4,475.62	4,475.62	65,000.00	6.89%
Other services employed	9,271.49	9,271.49	149,000.00	6.22%
Insurance				
Property	5,370.42	5,370.42	72,000.00	7.46%
Automobile	895.75	895.75	13,000.00	6.89%
Liability	21,074.00	21,074.00	275,000.00	7.66%
Pensions and benefits				
Life insurance	1,155.18	1,155.18	15,000.00	7.70%
Health insurance	82,921.61	82,921.61	1,144,000.00	7.25%
Retirement	93,633.25	93,633.25	1,199,000.00	7.81%
Unemployment	0.00	0.00	0.00	0.00%
FICA - Medicare portion	5,390.49	5,390.49	71,000.00	7.59%
Disability insurance	1,985.55	1,985.55	30,000.00	6.62%
Workers compensation insurance	1,096.17	1,096.17	15,000.00	7.31%
Accrued vacation and sick	0.00	0.00	125,000.00	0.00%
Miscellaneous general expenses				
General advertising	1,780.97	1,780.97	10,000.00	17.81%
Annual Report / Informational	0.00	0.00	8,000.00	0.00%
Member informational seminars	0.00	0.00	12,000.00	0.00%
B.O.D. Washington rally	0.00	0.00	85,000.00	0.00%
B.O.D. Regular meeting meals	0.00	0.00	13,000.00	0.00%
B.O.D. Generation Tour	0.00	0.00	5,000.00	0.00%
B.O.D. Annual meeting	37,381.58	37,381.58	51,000.00	73.30%
Sundry and bank service charges	0.00	0.00	1,000.00	0.00%
Property taxes	47,216.50	47,216.50	94,000.00	50.23%
Abandoned Project Costs	0.00	0.00	0.00	0.00%
Total Administrative and General	822,097.79	822,097.79	10,815,000.00	7.60%
<u>DEPRECIATION AND DEPLETION EXPENSE</u>	2,931,623.84	2,931,623.84	38,871,000.00	7.54%
<u>TOTAL OPERATING EXPENSES</u>	<u>\$19,937,436.51</u>	<u>\$19,935,561.51</u>	<u>\$286,927,000.00</u>	<u>6.95%</u>



## Illinois Municipal Electric Agency

### SCHEDULE OF MONTHLY INVESTMENT ACTIVITY

	Revenue Fund	O & M Fund	Healthcare Account	Renewals & Replacements Fund	--General Reserve Fund----- Gen. Reserve Account	Rate Stabil. Account	PNC LOC Account	Common Bond Debt Service Reserve	Sub-Total Interest Rec.	Sub-Total Cash & Invest.
Balance at May 1, 2025:										
Cash	\$0.00	\$64,281,496.98	\$114,932.80	\$0.00	\$14,417,440.97	\$7,888,369.93	\$0.00	\$165,915.53		\$86,868,156.21
US Treasury Notes & Bonds	0.00		0.00	0.00		37,611,630.07		39,918,907.41		77,530,537.48
US Government Agencies				2,347,830.76		0.00		9,169,314.00		11,517,144.76
Interest Earned				15,312.28	173,523.29		0.00	406,760.57		595,596.14
Interest Receivable	0.00	61,412.46	0.00						61,412.46	
Total Funds	0.00	64,342,909.44	114,932.80	2,363,143.04	14,590,964.26	45,500,000.00	\$0.00	49,660,897.51	61,412.46	176,511,434.59
Add (Deduct):										
Cash Receipts	23,046,395.32	(60,804.08)	0.00							22,985,591.24
Payments of Expenses	0.00	(19,477,276.82)	(19,867.73)							(19,497,144.55)
Transfers From/To Other Accts.	(23,046,395.32)	16,259,357.82	110,000.00	0.00	0.00	0.00	0.00	(129,472.81)		(6,806,510.31)
Interest Income	0.00	199,783.05	0.00	7,551.78	209,905.63		0.00	158,187.64		575,428.10
Interest Receivable	0.00	60,804.08	0.00				0.00		60,804.08	61,412.46
Unrealized Gain/(Loss) on Investments	0.00	0.00	0.00	(23,841.29)	(361,363.03)	0.00	0.00	(379,414.70)		(764,619.02)
Transfer to Refunding Escrow								0.00		0.00
Reimbursement of Project Costs		0.00								0.00
Payment of Principal & Interest							0.00			0.00
Balance at May 31, 2025	\$0.00	\$61,324,773.49	\$205,065.07	\$2,346,853.53	\$14,439,506.86	\$45,500,000.00	\$0.00	\$49,310,197.64	\$60,804.08	\$173,065,592.51
Composition of May 31, 2025 Balance:										
Cash	\$0.00	\$61,263,969.41	\$205,065.07	\$32.36	\$14,211,954.68	\$8,241,868.10	\$0.00	\$369,058.22		\$84,291,947.84
US Treasury Notes & Bonds	0.00		0.00	0.00		37,258,131.90		39,578,723.51		76,836,855.41
US Government Agencies				2,323,901.25		0.00		9,135,315.42		11,459,216.67
Interest Earned				22,919.92	227,552.18		0.00	227,100.49		477,572.59
Interest Receivable	0.00	60,804.08	0.00						60,804.08	
Total Funds	\$0.00	\$61,324,773.49	\$205,065.07	\$2,346,853.53	\$14,439,506.86	\$45,500,000.00	\$0.00	\$49,310,197.64	\$60,804.08	\$173,065,592.51



## Illinois Municipal Electric Agency

### SCHEDULE OF MONTHLY INVESTMENT ACTIVITY

		2009C		2010A		2015A			
		-----Debt Service Fund-----		-----Debt Service Fund-----		Debt			
	Sub-Total	Sub-Total	Debt Service	Debt Service	Debt Service	Debt Service	Petty	Total	Total
	Interest Receivable	Cash & Invest.	Account	Reserve	Account	Reserve	Cash	Interest Rec.	Cash & Invest.
Balance at May 1, 2025:									
Cash		\$86,868,156.21	\$78,946.02	\$320,269.84	\$31,671.08	\$17,541.90	\$241,987.44	\$500.00	\$87,559,072.49
US Treasury Notes & Bonds		\$77,530,537.48	5,725,149.10	14,414,733.68	2,502,402.69	8,347,945.11	12,246,723.19		120,767,491.25
US Government Agencies		\$11,517,144.76	0.00	4,422,737.12	0.00	0.00	0.00		15,939,881.88
Interest Earned		\$595,596.14	703.25	175,132.54	297.02	148,913.34	35,636.82		956,279.11
Interest Receivable	61,412.46							61,412.46	0.00
Total Funds	\$61,412.46	176,511,434.59	5,804,798.37	19,332,873.18	2,534,370.79	8,514,400.35	12,524,347.45	500.00	225,222,724.73
Add (Deduct):									
Cash Receipts		22,985,591.24							22,985,591.24
Payments of Expenses		(19,497,144.55)					0.00		(19,497,144.55)
Transfers From/To Other Accts.		(6,806,510.31)	1,900,268.60	(1,315.78)	830,692.65	(64.79)	4,076,184.71		(744.92)
Interest Income		575,428.10	23,006.72	58,232.39	10,048.31	29,489.34	48,467.67		744,672.53
Interest Receivable	60,804.08	61,412.46						60,804.08	61,412.46
Unrealized Gain/(Loss) on Investments		(764,619.02)	(526.41)	(9,575.94)	(110.84)	(41,288.42)	(7,133.68)		(823,254.31)
Transfer to Refunding Escrow		0.00	0.00	0.00	0.00	0.00	0.00		0.00
Reimbursement of Project Costs		0.00							0.00
Payment of Principal & Interest		0.00	0.00		0.00		0.00		0.00
Balance at May 31, 2025	\$60,804.08	\$173,065,592.51	\$7,727,547.28	\$19,380,213.85	\$3,375,000.91	\$8,502,536.48	\$16,641,866.15	\$500.00	\$228,693,257.18
Composition of May 31, 2025 Balance:									
Cash		\$84,291,947.84	\$80,156.25	\$469,827.01	\$33,018.86	\$124,097.53	\$242,347.93	\$500.00	\$85,241,895.42
US Treasury Notes & Bonds		76,836,855.41	7,644,783.64	14,420,205.03	3,341,020.70	8,305,338.40	16,347,346.74		126,895,549.92
US Government Agencies		11,459,216.67	0.00	4,431,423.84	0.00	0.00	0.00		15,890,640.51
Interest Earned		477,572.59	2,607.39	58,757.97	961.35	73,100.55	52,171.48		665,171.33
Interest Receivable	60,804.08	0.00						60,804.08	
Total Funds	\$60,804.08	\$173,065,592.51	\$7,727,547.28	\$19,380,213.85	\$3,375,000.91	\$8,502,536.48	\$16,641,866.15	\$500.00	\$228,693,257.18

#### Balance Sheet Classifications:

Restricted Investment Accounts	\$104,937,362.31
Cash and Cash Equivalents	83,923,389.62
Temporary Investments	39,832,505.25
	<u>\$228,693,257.18</u>



# Illinois Municipal Electric Agency

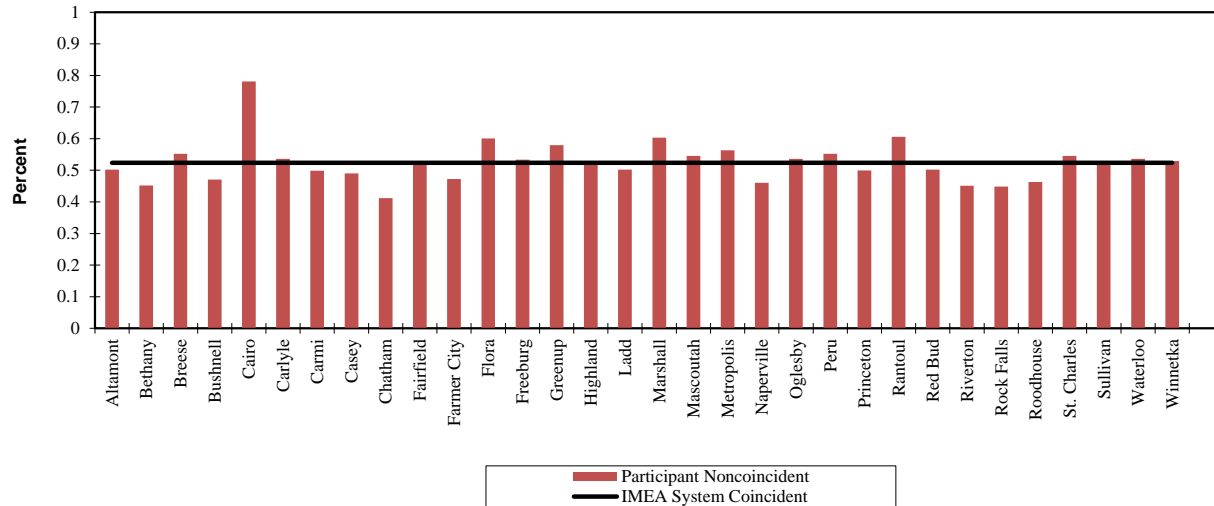
## SCHEDULE OF DEBT COVERAGE(110%)

	One Month Ended May 31, 2025	Total Last 12 Months
<b>REVENUES</b>		
Sales for resale	\$24,375,720	\$317,116,695
Membership assessments	0	0
Other utility operations	(131,827)	11,207,040
Other non-utility operations	(264)	508,483
Interest income	749,088	10,419,405
Interest income used for Debt Service		0
2006 Debt Service Reserve Fund	0	0
2007A Debt Service Reserve Fund	0	0
2009ABC Debt Service Reserve Fund	0	0
2010A Debt Service Reserve	0	0
Federal BABS Revenue	535,142	6,172,649
Rate stabilization transfer	0	0
Total Revenue	<u>\$25,527,858</u>	<u>\$345,424,272</u>
<b>OPERATIONS AND MAINTENANCE EXPENSES</b>		
Purchased power	\$3,627,331	\$60,354,669
Transmission	5,482,004	62,091,865
Trimble County Units 1 & 2:		0
Fuel	830,953	21,310,379
Operations and maintenance	860,154	8,530,396
Prairie State Generating Company:		0
Fuel	2,082,094	20,694,884
Operations and maintenance	2,326,832	33,664,855
Member Payments:		0
Fuel reimbursements	76,884	1,176,022
Capacity payments	779,649	8,330,952
Generation payments	0	13,143
Other utility operations	117,814	2,143,004
Administration and general	822,098	9,872,600
Other	0	0
Total Operations and Maintenance Expenses	<u>\$17,005,813</u>	<u>\$228,182,770</u>
NET REVENUES	\$8,522,046	\$117,241,502
DEBT SERVICE (See calculation below)	<u>\$7,299,352</u>	<u>\$88,338,688</u>
COVERAGE PERCENTAGE	<u>116.75%</u>	<u>132.72%</u>
<b>CUMULATIVE COVERAGE PERCENTAGE</b>		
(Fiscal Year 2025-2026)	116.75%	
<b>DEBT SERVICE</b>		
Accrued interest-2006 bonds	\$0	\$0
Principal installment-2006 bonds	0	0
Accrued interest-2007A bonds	0	0
Principal installment-2007A bonds	0	0
Accrued interest-2007C bonds	0	0
Principal installment-2007C bonds	0	0
Accrued interest-2009A bonds	0	0
Principal installment-2009A bonds	0	0
Accrued interest-2009C bonds	1,020,018	12,877,184
Principal installment-2009C bonds	1,217,500	14,193,336
Accrued interest-2010A bonds	467,859	5,868,140
Principal installment-2010A bonds	516,667	6,033,332
Accrued interest-2015A bonds	1,501,058	19,015,032
Principal installment-2015A bonds	2,576,250	30,351,664
Debt Service	<u>\$7,299,352</u>	<u>\$88,338,688</u>

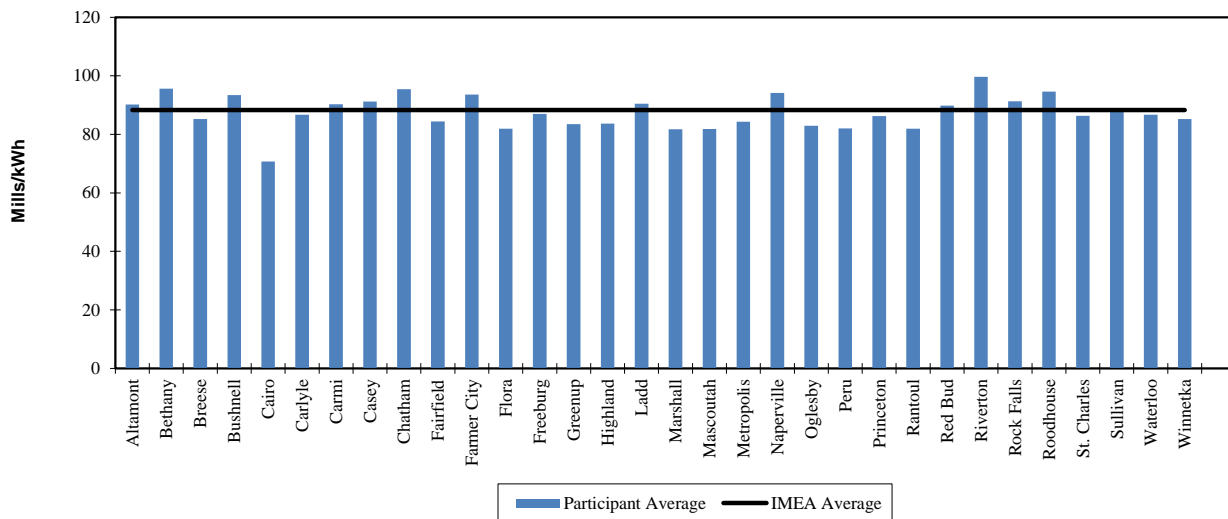


# Illinois Municipal Electric Agency

**Participant Load Factor  
May 2025**



**Participant Average Cost  
May 2025**



Note: Actual peak demand and energy consumption is shown in the monthly operations report.  
Average Cost does not reflect capacity credits to participants.



*Financial Statements as of June 30, 2025*



# Illinois Municipal Electric Agency

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*Unaudited Financial Statements as of June 30, 2025*



# Illinois Municipal Electric Agency

## STATEMENT OF NET POSITION

	June 30, 2025	June 30, 2024
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
<b><u>UTILITY PLANT IN SERVICE</u></b>		
Prairie State	\$937,365,709.13	\$933,039,682.79
Trimble County Units 1 & 2	381,344,849.53	379,835,492.38
Mobile Generation Equipment	3,216,609.02	3,214,844.57
Winnetka 138 Interconnect	500,000.00	500,000.00
Other Property and Equipment	13,344,055.57	13,276,051.57
Total Utility Plant in Services (at cost)	1,335,771,223.25	1,329,866,071.31
Less: Accumulated Depreciation	(480,289,690.89)	(446,086,953.01)
Net Utility Plant in Service	855,481,532.36	883,779,118.30
<b><u>CONSTRUCTION WORK IN PROGRESS</u></b>		
Prairie State	7,230,702.71	7,865,182.15
Trimble County Station	34,777,843.64	31,283,984.59
Net Construction Work in Progress	42,008,546.35	39,149,166.74
<b><u>RESTRICTED ASSETS</u></b>	111,916,427.27	111,005,759.99
<b><u>CURRENT ASSETS</u></b>		
Cash	86,176,179.16	75,579,028.95
Short-term Investments	40,280,681.83	37,773,600.21
Accounts Receivable	33,845,086.55	32,675,112.85
Renewable Energy Credits	(0.00)	0.00
Collateral Held for Others	536,051.83	524,688.52
Prepayments	32,879,118.49	29,440,248.35
Total Current Assets	193,717,117.86	175,992,678.88
<b><u>OTHER ASSETS</u></b>		
Unamortized Debt Expense	1,178,950.79	1,404,897.11
Prairie State-Other LT Assets	1,640,637.44	484,543.82
Change in Market Value of Investments	(671,319.57)	1,032,856.42
Other Deferred Assets	0.00	0.00
Total Other Assets	2,148,268.66	2,922,297.35
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Total Deferred Outflows of Resources	12,283,241.69	14,630,118.71
<b>TOTAL ASSETS</b>	<b>\$1,217,555,134.19</b>	<b>\$1,227,479,139.97</b>



# Illinois Municipal Electric Agency

## STATEMENT OF NET POSITION

	June 30, 2025	June 30, 2024
<u>NET POSITION</u>	<u>\$499,704,210.55</u>	<u>\$455,889,143.90</u>
<u>NON-CURRENT LIABILITIES</u>		
Revenue Bonds (excludes current maturities)	591,875,000.00	643,600,000.00
Unamortized Premium	23,089,254.21	27,500,763.90
Other Long-term Debt-PNC LOC	0.00	0.00
Other Liabilities	14,127,016.71	15,938,825.26
Other Deferred Liabilities	0.00	0.00
Total Non-Current Liabilities	<u>629,091,270.92</u>	<u>687,039,589.16</u>
<u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Expenses		
Accounts Payable		
Purchased Power	13,885,861.89	10,511,736.17
Jointly-owned facilities	7,433,415.08	7,017,704.30
Other	113,156.32	223,832.69
Collateral Due to Others	536,894.09	525,932.86
Other Current Liabilities	203,216.79	209,210.31
Total Accounts Payable and Accrued Expenses	<u>22,172,544.17</u>	<u>18,488,416.33</u>
Current Liabilities Payable from Restricted Assets		
Current Maturities of Revenue Bonds	51,725,000.00	50,005,000.00
Interest Accrued	14,862,108.55	16,056,990.58
Total Current Liabilities	<u>88,759,652.72</u>	<u>84,550,406.91</u>
Total Liabilities	<u>717,850,923.64</u>	<u>771,589,996.07</u>
 TOTAL NET POSITION AND LIABILITIES	 <u>\$1,217,555,134.19</u>	 <u>\$1,227,479,139.97</u>



# Illinois Municipal Electric Agency

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	One Month Ended June 30, 2025	Two Month(s) Ended June 30, 2025	Two Month(s) Ended June 30, 2024
<b>OPERATING REVENUES</b>			
Sales to Members	\$32,391,167.94	\$56,766,887.65	\$55,426,378.87
Sales to Others	0.00	0.00	0.00
Other Electric Revenue	0.00	0.00	0.00
Membership Assessments	0.00	0.00	0.00
Other income	788,506.28	656,678.97	(55,093.40)
Total Operating Revenues	33,179,674.22	57,423,566.62	55,371,285.47
<b>OPERATING EXPENSES</b>			
Purchased power	9,465,382.17	13,092,713.22	9,994,714.67
Transmission	5,472,855.80	10,954,859.80	10,079,892.88
Trimble County Units 1 & 2:			
Fuel	2,104,770.81	2,935,723.56	3,943,336.31
Operations and Maintenance	662,999.33	1,523,153.34	1,119,550.27
Prairie State Generating Company:			
Fuel	2,001,166.27	4,083,259.94	3,161,861.79
Operations and Maintenance	2,168,274.66	4,495,106.73	4,401,214.49
Member Payments:			
Fuel Reimbursements	402,361.82	479,245.74	242,417.52
Capacity Payments	805,327.36	1,584,976.36	1,354,847.04
Generation Payments	7,038.53	7,038.53	3,525.82
Other Utility Operations	45,434.93	163,249.34	248,619.30
Administration and General	845,873.13	1,667,970.92	1,728,855.82
Depreciation & Depletion Expense	2,918,434.67	5,850,058.51	6,066,279.83
Total Operating Expenses	26,899,919.48	46,837,355.99	42,345,115.74
Operating Income	6,279,754.74	10,586,210.63	13,026,169.73
<b>NON-OPERATING REVENUE (EXPENSES)</b>			
Interest Income	818,565.17	1,567,652.76	1,733,265.99
Interest Expense on Revenue Bonds	(2,972,421.71)	(6,043,924.14)	(6,486,598.84)
Interest Expense on PNC LOC	0.00	0.00	0.00
Federal BABS Revenue	517,879.78	1,053,022.22	1,125,609.39
State Grant Revenue (Expense)	0.00	0.00	0.00
Interest Charged to Construction	0.00	0.00	0.00
Amortization Expense	146,602.28	293,204.56	315,907.10
Other Revenue	0.00	(264.00)	6,248.46
Total Non-Operating Expenses	(1,489,374.48)	(3,130,308.60)	(3,305,567.90)
CHANGE IN NET POSITION	4,790,380.26	7,455,902.03	9,720,601.83
Net Position - Beginning of Period	494,913,830.29	492,248,308.52	446,168,542.07
NET POSITION - END OF PERIOD	\$499,704,210.55	\$499,704,210.55	\$455,889,143.90



# Illinois Municipal Electric Agency

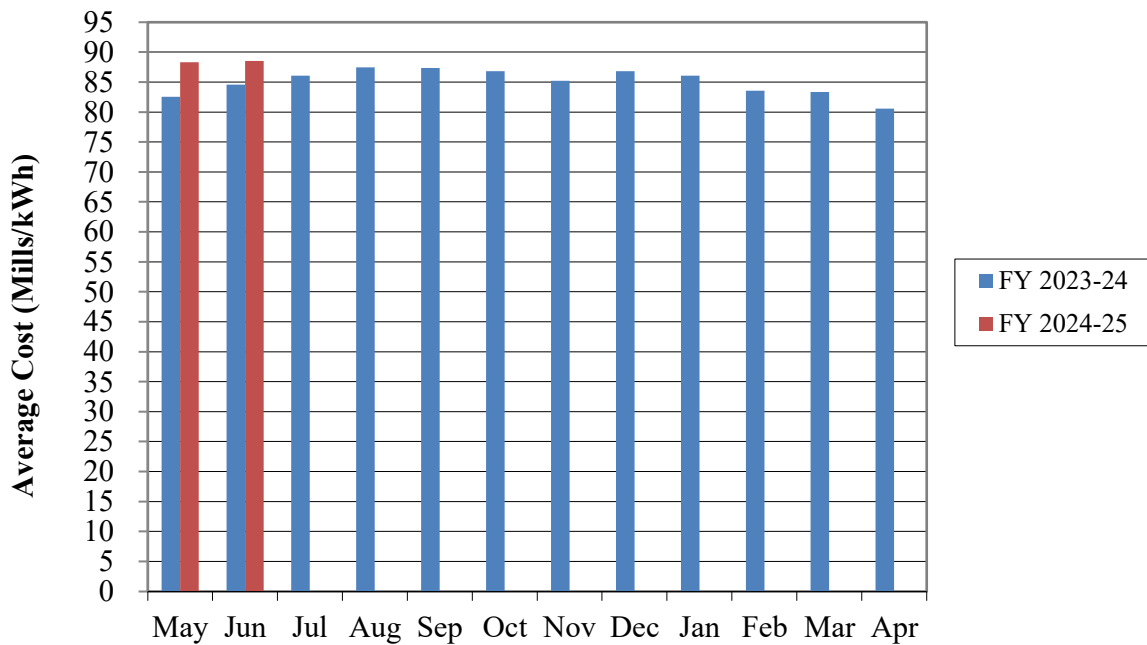
## STATEMENT OF CASH FLOW

	One Month Ended June 30, 2025	Two Month(s) Ended June 30, 2025	Two Month(s) Ended June 30, 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from power sales	\$23,693,793	\$44,431,371	\$43,876,565
Received from sale of RECs	479,565	\$2,489,065	2,791,891
Paid to suppliers for purchased power and transmission	(8,631,990)	(\$17,918,660)	(17,139,777)
Paid to suppliers and employees for other services	(6,731,218)	(\$15,480,161)	(14,569,568)
Cash Flows from Operating Activities	8,810,149	13,521,614	14,959,112
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Debt principal paid	\$0	\$0	\$0
Interest paid	0	0	0
BABS Payment from Federal Government	0	0	0
State Grant Received(Paid)	0	0	0
Acquisition and construction of capital assets	(966,456)	(1,833,233)	(2,320,478)
Preliminary engineering and survey charges	0	0	0
Proceeds from issuance of debt	0	0	0
Payment/Proceeds from PNC LOC	0	0	0
Premium received on debt issuance	0	0	0
Payment of Bond Issuance Costs	0	0	0
Funds Used in Refunding	0	0	0
Loss on refunding	0	0	0
Payment of ARO Liability	0	0	0
Payment of Arbitrage Rebate Liability	0	0	0
Cash Flows from Capital and Related Financing Activities	(966,456)	(1,833,233)	(2,320,478)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	818,565	\$1,567,653	1,733,266
Payments to Members for Capital Costs	0	0	0
Purchase of long term investment	(11,242,756)	(18,144,827)	(13,989,549)
Maturity of long term investment	4,432,000	4,432,000	0
Cash Flows from Investing Activities	(5,992,191)	(12,145,174)	(12,256,283)
Net Change in Cash and Cash Equivalents	1,851,502	(456,793)	382,351
Cash and Cash Equivalents - Beginning of Period	86,207,057	88,515,352	76,766,597
CASH AND CASH EQUIVALENTS - END OF PERIOD	\$88,058,559	\$88,058,559	\$77,148,948
<b>RECONCILE CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET</b>			
Restricted investments		\$111,916,427	\$111,005,760
Cash		86,176,179	75,579,029
Short-term investments		40,280,682	37,773,600
Total Cash and Investments		238,373,288	224,358,389
Less: Long-term investments		(150,314,729)	(147,209,441)
TOTAL CASH AND CASH EQUIVALENTS		\$88,058,559	\$77,148,948
<b>RECONCILE OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income	\$6,279,755	\$10,586,211	\$13,026,170
Noncash Items Included in Operating Income:			
Depreciation and Depletion	2,918,435	5,850,059	6,066,280
Other non-cash transactions	0	0	(131,135)
Changes in Current Assets and Liabilities:			
Accounts receivable	(7,482,648)	(10,264,256)	(9,949,023)
Renewable Energy Credits	479,565	2,489,065	2,791,891
Prepayments	(11,249)	(452,757)	35,469
Accounts payable:			
Purchased power	6,306,248	6,128,913	2,934,831
Jointly owned facilities	230,022	(1,115,912)	(79,848)
Other	356,905	235,079	195,268
Change in Regulatory Asset/Liability	0	0	0
Other current liabilities	(266,884)	65,214	69,209
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$8,810,149	\$13,521,614	\$14,959,112

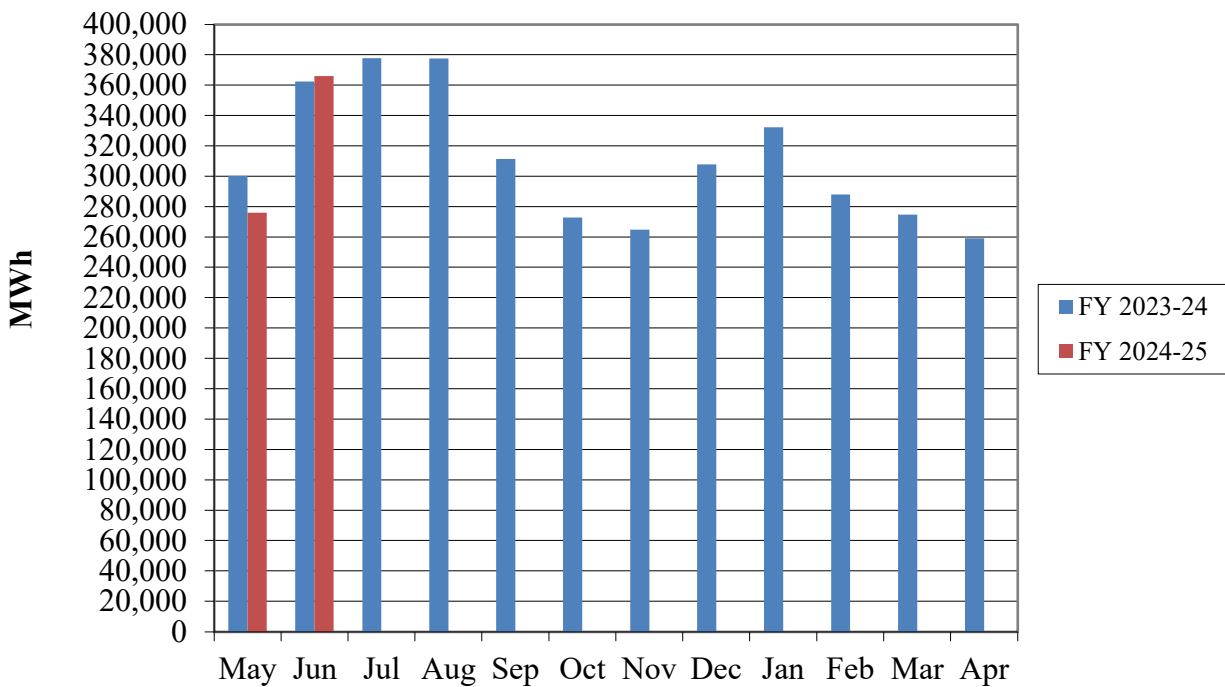


## Illinois Municipal Electric Agency

**IMEA Participating Member Average Cost**



**IMEA Monthly Energy Sales to Participating Members**





# Illinois Municipal Electric Agency

## *SCHEDULE OF POWER SALES*

	One Month Ended June 30, 2025	One Month Ended June 30, 2024	Two Month(s) Ended June 30, 2025	Two Month(s) Ended June 30, 2024
<b>POWER SALES</b>				
Altamont	\$214,103.94	\$202,051.55	\$371,609.21	\$363,709.56
Bethany	74,879.19	73,717.54	125,449.57	127,667.83
Breese	475,305.02	459,667.62	824,888.46	818,884.10
Bushnell	260,657.06	233,979.69	453,631.48	421,886.66
Cairo	387,690.08	351,672.77	729,482.79	665,630.70
Carlyle	305,027.41	294,444.73	518,344.58	521,024.53
Carmi	476,255.47	465,583.98	812,444.73	827,082.00
Casey	253,143.10	246,395.80	432,091.34	438,749.54
Chatham	808,111.12	763,558.05	1,395,802.17	1,372,200.82
Fairfield	499,261.04	482,163.29	850,023.65	857,906.62
Farmer City	152,026.63	142,133.03	262,557.89	251,982.34
Flora	910,591.05	868,900.41	1,635,274.97	1,609,842.43
Freeburg	374,762.18	373,482.77	630,756.39	661,594.02
Greenup	164,297.75	156,290.73	279,445.37	286,539.63
Highland	1,103,671.71	1,091,817.31	1,860,939.67	1,908,469.42
Ladd	94,355.89	87,215.41	164,184.10	153,935.65
Marshall	494,817.63	480,610.94	866,117.55	878,244.67
Mascoutah	648,254.77	585,300.53	1,107,293.42	1,036,715.37
Metropolis	646,614.64	624,152.61	1,103,666.97	1,120,032.99
Naperville	11,403,608.79	10,771,769.39	20,060,431.60	19,436,305.50
Oglesby	485,966.96	459,840.79	869,671.81	838,787.27
Peru	1,854,401.07	1,673,944.68	3,367,669.85	3,181,503.34
Princeton	835,562.36	788,491.54	1,476,335.11	1,432,518.40
Rantoul	1,397,770.09	1,303,987.60	2,471,715.11	2,400,651.11
Red Bud	414,716.33	427,254.42	716,948.19	766,038.70
Riverton	267,372.93	254,029.56	470,635.49	457,048.10
Rock Falls	638,759.19	550,205.39	1,096,226.70	952,084.17
Roodhouse	100,132.51	102,543.41	170,180.06	178,958.43
St. Charles	4,107,766.30	3,912,511.74	7,349,580.70	7,197,764.46
Sullivan	542,690.96	511,320.25	965,850.50	936,631.73
Waterloo	837,013.17	837,199.70	1,414,147.81	1,483,456.07
Winnetka	1,161,581.60	1,073,348.84	1,913,490.41	1,842,532.71
Total Power Sales to Participating Members	<u>\$32,391,167.94</u>	<u>\$30,649,586.07</u>	<u>\$56,766,887.65</u>	<u>\$55,426,378.87</u>
kWh Sales to Participating Members	365,850,926	362,316,598	641,856,947	662,435,032
Participating Member Average Cost (Mills/kWh)	\$88.54	\$84.59	\$88.44	\$83.67



# Illinois Municipal Electric Agency

## *SCHEDULE OF OPERATING EXPENSES*

	One Month Ended June 30, 2025	Two Month(s) Ended June 30, 2025	Budget Year Ended April 30, 2025	Percent of Budget Expended as of June 30, 2025
<b><u>PURCHASED POWER</u></b>				
FPL Wind	\$983,190.34	\$2,267,980.17	\$17,663,000.00	12.84%
Big River Solar	225,216.73	225,216.73	1,990,000.00	11.32%
Green River	211,919.19	490,905.48	4,118,000.00	11.92%
Constellation	85,000.00	165,000.00	1,015,000.00	16.26%
Louisville Gas and Electric	0.00	0.00	10,000.00	0.00%
PJM	(245,627.93)	(2,504,978.52)	(54,199,000.00)	4.62%
Midwest ISO	5,925,378.54	9,752,524.81	87,432,000.00	11.15%
Other Suppliers	2,280,305.30	2,696,064.55	10,088,000.00	26.73%
Total Purchased Power	9,465,382.17	13,092,713.22	68,117,000.00	19.22%
<b><u>TRANSMISSION</u></b>				
Ameren through MISO	2,701,916.09	5,305,058.02	31,915,000.00	16.62%
PJM	2,431,796.48	4,693,546.96	31,128,000.00	15.08%
Midwest ISO	336,082.64	950,133.64	4,723,000.00	20.12%
Other Suppliers	3,060.59	6,121.18	48,000.00	12.75%
Total Transmission	5,472,855.80	10,954,859.80	67,814,000.00	16.15%
<b><u>TRIMBLE COUNTY AND PRAIRIE STATE</u></b>				
Fuel-Trimble County	2,046,325.96	2,853,087.84	20,066,000.00	14.22%
Scrubber reactant-Trimble County	58,444.85	82,635.72	549,000.00	15.05%
Fuel-Prairie State	2,001,166.27	4,083,259.94	27,255,000.00	14.98%
Total Fuel-Trimble County and Prairie State	4,105,937.08	7,018,983.50	47,870,000.00	14.66%
Operations and maintenance:				
Operations and Maintenance expenses-Trimble County	662,999.33	1,523,153.34	11,333,000.00	13.44%
Operations and Maintenance expenses-Prairie State	2,168,274.66	4,495,106.73	27,762,000.00	16.19%
Total O&M-Trimble County and Prairie State	2,831,273.99	6,018,260.07	39,095,000.00	15.39%
<b><u>MEMBER PAYMENTS</u></b>				
Fuel reimbursements	402,361.82	479,245.74	1,700,000.00	28.19%
Capacity payments	805,327.36	1,584,976.36	10,153,000.00	15.61%
Generation payments	7,038.53	7,038.53	25,000.00	28.15%
Total Member Payments	1,214,727.71	2,071,260.63	11,878,000.00	17.44%
<b><u>OTHER UTILITY OPERATIONS</u></b>				
Energy Efficiency Program	36,871.45	142,325.96	1,292,000.00	11.02%
Telemetry charges	3,532.99	7,051.91	85,000.00	8.30%
Meter testing supplies	0.00	97.69	20,000.00	0.49%
Mobile Generation	5,030.49	13,773.78	170,000.00	8.10%
Other	0.00	0.00	900,000.00	0.00%
Total Other Utility Operations	45,434.93	163,249.34	2,467,000.00	6.62%
<b><u>ADMINISTRATION AND GENERAL</u></b>				
Professional salaries	379,648.80	754,181.68	4,795,000.00	15.73%
Telephone	1,445.67	2,776.78	30,000.00	9.26%
Postage	395.67	610.07	7,000.00	8.72%
Photocopying and fax	640.94	640.94	18,000.00	3.56%
Office supplies	3,738.62	6,234.08	25,000.00	24.94%
Computer service and supplies	15,602.68	30,556.98	263,000.00	11.62%
Automobile	1,444.31	3,833.58	32,000.00	11.98%
Utilities	3,221.58	6,282.82	50,000.00	12.57%
Membership dues	53,926.39	108,627.78	661,000.00	16.43%



# Illinois Municipal Electric Agency

## *SCHEDULE OF OPERATING EXPENSES*

	One Month Ended June 30, 2025	Two Month(s) Ended June 30, 2025	Budget Year Ended April 30, 2025	Percent of Budget Expended as of June 30, 2025
<u>ADMINISTRATION AND GENERAL CONTINUED</u>				
Library	\$560.66	\$1,121.32	\$8,000.00	14.02%
Travel	1,326.70	2,172.07	23,000.00	9.44%
Room rentals	3,348.48	3,892.51	34,000.00	11.45%
Meals	1,454.95	4,188.91	28,000.00	14.96%
Courses, programs and seminars	1,750.00	1,750.00	65,000.00	2.69%
Outside services				
Legal				
General Counsel-Litigation Support	0.00	0.00	0.00	0.00%
Special counsel	0.00	0.00	25,000.00	0.00%
Other	993.00	2,336.00	100,000.00	2.34%
Negotiations	0.00	0.00	250,000.00	0.00%
Engineering				
Outside engineering	39,683.80	81,375.94	641,000.00	12.70%
Other				
Financial services	64,133.41	69,483.41	256,000.00	27.14%
Legislative consultant	0.00	0.00	3,000.00	0.00%
Installation and repair	768.40	768.40	25,000.00	3.07%
Janitorial	1,700.00	3,400.00	24,000.00	14.17%
Building and grounds maintenance	4,129.82	8,605.44	65,000.00	13.24%
Other services employed	18,626.27	27,897.76	149,000.00	18.72%
Insurance				
Property	0.00	5,370.42	72,000.00	7.46%
Automobile	895.75	1,791.50	13,000.00	13.78%
Liability	12,924.25	33,998.25	275,000.00	12.36%
Pensions and benefits				
Life insurance	1,162.59	2,317.77	15,000.00	15.45%
Health insurance	79,385.22	162,306.83	1,144,000.00	14.19%
Retirement	94,912.22	188,545.47	1,199,000.00	15.73%
Unemployment	0.00	0.00	0.00	0.00%
FICA - Medicare portion	5,530.00	10,920.49	71,000.00	15.38%
Disability insurance	1,985.55	3,971.10	30,000.00	13.24%
Workers compensation insurance	1,096.17	2,192.34	15,000.00	14.62%
Accrued vacation and sick	0.00	0.00	125,000.00	0.00%
Miscellaneous general expenses				
General advertising	1,089.00	2,869.97	10,000.00	28.70%
Annual Report / Informational	0.00	0.00	8,000.00	0.00%
Member informational seminars	0.00	0.00	12,000.00	0.00%
B.O.D. Washington rally	0.00	0.00	85,000.00	0.00%
B.O.D. Regular meeting meals	1,009.73	1,009.73	13,000.00	7.77%
B.O.D. Generation Tour	0.00	0.00	5,000.00	0.00%
B.O.D. Annual meeting	0.00	37,381.58	51,000.00	73.30%
Sundry and bank service charges	0.00	0.00	1,000.00	0.00%
Property taxes	47,342.50	94,559.00	94,000.00	100.59%
Abandoned Project Costs	0.00	0.00	0.00	0.00%
Total Administrative and General	<u>845,873.13</u>	<u>1,667,970.92</u>	<u>10,815,000.00</u>	<u>15.42%</u>
<u>DEPRECIATION AND DEPLETION EXPENSE</u>	<u>2,918,434.67</u>	<u>5,850,058.51</u>	<u>38,871,000.00</u>	<u>15.05%</u>
<u>TOTAL OPERATING EXPENSES</u>	<u>\$26,899,919.48</u>	<u>\$46,837,355.99</u>	<u>\$286,927,000.00</u>	<u>16.32%</u>



## Illinois Municipal Electric Agency

### SCHEDULE OF MONTHLY INVESTMENT ACTIVITY

	Revenue Fund	O & M Fund	Healthcare Account	Renewals & Replacements Fund	--General Reserve Fund----- Gen. Reserve Account	Rate Stabil. Account	PNC LOC Account	Common Bond Debt Service Reserve	Sub-Total Interest Rec.	Sub-Total Cash & Invest.
Balance at June 1, 2025:										
Cash	\$0.00	\$61,263,969.41	\$205,065.07	\$32.36	\$14,211,954.68	\$8,241,868.10	\$0.00	\$369,058.22		\$84,291,947.84
US Treasury Notes & Bonds	0.00		0.00	0.00		37,258,131.90		39,578,723.51		76,836,855.41
US Government Agencies				2,323,901.25		0.00		9,135,315.42		11,459,216.67
Interest Earned				22,919.92	227,552.18		0.00	227,100.49		477,572.59
Interest Receivable	0.00	60,804.08	0.00						60,804.08	
Total Funds	0.00	61,324,773.49	205,065.07	2,346,853.53	14,439,506.86	45,500,000.00	\$0.00	49,310,197.64	60,804.08	173,065,592.51
Add (Deduct):										
Cash Receipts	25,309,487.12	(56,207.03)	0.00							25,253,280.09
Payments of Expenses	0.00	(17,102,027.21)	(15,338.60)							(17,117,365.81)
Transfers From/To Other Accts.	(25,309,487.12)	19,092,382.31	0.00	(32.36)	0.00	0.00	0.00	(332,615.50)		(6,549,752.67)
Interest Income	0.00	191,632.70	0.00	7,554.58	207,598.99		0.00	157,488.33		564,274.60
Interest Receivable	0.00	56,207.03	0.00				0.00		56,207.03	60,804.08
Unrealized Gain/(Loss) on Investments	0.00	0.00	0.00	19,396.09	295,202.57	0.00	0.00	322,962.72		637,561.38
Transfer to Refunding Escrow								0.00		0.00
Reimbursement of Project Costs		0.00								0.00
Payment of Principal & Interest							0.00			0.00
Balance at June 30, 2025	\$0.00	\$63,506,761.29	\$189,726.47	\$2,373,771.84	\$14,942,308.42	\$45,500,000.00	\$0.00	\$49,458,033.19	\$56,207.03	\$175,914,394.18
Composition of June 30, 2025 Balance:										
Cash	\$0.00	\$63,450,554.26	\$189,726.47	\$0.04	\$14,596,344.01	\$7,939,054.38	\$0.00	\$43,510.66		\$86,219,189.82
US Treasury Notes & Bonds	0.00		0.00	0.00		37,560,945.62		39,873,676.41		77,434,622.03
US Government Agencies				2,343,211.97		0.00		9,168,377.40		11,511,589.37
Interest Earned				30,559.83	345,964.41		0.00	372,468.72		748,992.96
Interest Receivable	0.00	56,207.03	0.00						56,207.03	
Total Funds	\$0.00	\$63,506,761.29	\$189,726.47	\$2,373,771.84	\$14,942,308.42	\$45,500,000.00	\$0.00	\$49,458,033.19	\$56,207.03	\$175,914,394.18



## Illinois Municipal Electric Agency

### SCHEDULE OF MONTHLY INVESTMENT ACTIVITY

	2009C				2010A		2015A			
			-----Debt Service Fund-----		-----Debt Service Fund-----		Debt			
	Sub-Total	Sub-Total	Debt Service	Debt Service	Debt Service	Debt Service	Service	Petty	Total	Total
	Interest Receivable	Cash & Invest.	Account	Reserve	Account	Reserve	Account	Cash	Interest Rec.	Cash & Invest.
Balance at June 1, 2025:										
Cash		\$84,291,947.84	\$80,156.25	\$469,827.01	\$33,018.86	\$124,097.53	\$242,347.93	\$500.00		\$85,241,895.42
US Treasury Notes & Bonds		\$76,836,855.41	7,644,783.64	14,420,205.03	3,341,020.70	8,305,338.40	16,347,346.74			126,895,549.92
US Government Agencies		\$11,459,216.67	0.00	4,431,423.84	0.00	0.00	0.00			15,890,640.51
Interest Earned		\$477,572.59	2,607.39	58,757.97	961.35	73,100.55	52,171.48			665,171.33
Interest Receivable	60,804.08								60,804.08	0.00
Total Funds	\$60,804.08	173,065,592.51	7,727,547.28	19,380,213.85	3,375,000.91	8,502,536.48	16,641,866.15	500.00	60,804.08	228,693,257.18
Add (Deduct):										
Cash Receipts		25,253,280.09								25,253,280.09
Payments of Expenses		(17,117,365.81)						0.00		(17,117,365.81)
Transfers From/To Other Accts.		(6,549,752.67)	1,900,296.75	(150,872.95)	830,702.98	(106,620.42)	4,076,246.31			0.00
Interest Income		564,274.60	29,437.51	66,958.12	12,868.67	29,397.81	62,594.31			765,531.02
Interest Receivable	56,207.03	60,804.08							56,207.03	60,804.08
Unrealized Gain/(Loss) on Investments		637,561.38	(321.01)	49,648.60	(187.96)	29,756.58	1,324.11			717,781.70
Transfer to Refunding Escrow		0.00	0.00	0.00	0.00	0.00	0.00			0.00
Reimbursement of Project Costs		0.00								0.00
Payment of Principal & Interest		0.00	0.00		0.00		0.00			0.00
Balance at June 30, 2025	\$56,207.03	\$175,914,394.18	\$9,656,960.53	\$19,345,947.62	\$4,218,384.60	\$8,455,070.45	\$20,782,030.88	\$500.00	\$56,207.03	\$238,373,288.26
Composition of June 30, 2025 Balance:										
Cash		\$86,219,189.82	\$80,418.53	\$369,807.19	\$33,146.55	\$94,490.89	\$243,278.27	\$500.00		\$87,040,831.25
US Treasury Notes & Bonds		77,434,622.03	9,540,368.07	18,921,673.04	4,169,643.73	8,333,819.21	20,403,013.13			138,803,139.21
US Government Agencies		11,511,589.37	0.00	0.00	0.00	0.00	0.00			11,511,589.37
Interest Earned		748,992.96	36,173.93	54,467.39	15,594.32	26,760.35	135,739.48			1,017,728.43
Interest Receivable	56,207.03	0.00							56,207.03	
Total Funds	\$56,207.03	\$175,914,394.18	\$9,656,960.53	\$19,345,947.62	\$4,218,384.60	\$8,455,070.45	\$20,782,030.88	\$500.00	\$56,207.03	\$238,373,288.26
Balance Sheet Classifications:										
Restricted Investment Accounts										\$111,916,427.27
Cash and Cash Equivalents										86,176,179.16
Temporary Investments										40,280,681.83
										<u>\$238,373,288.26</u>



# Illinois Municipal Electric Agency

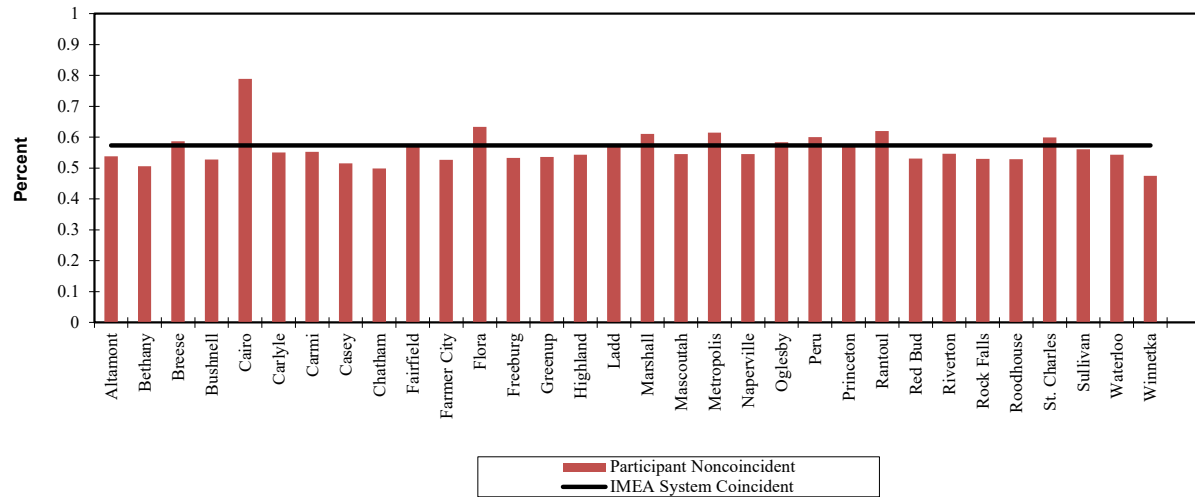
## SCHEDULE OF DEBT COVERAGE(110%)

	One Month Ended June 30, 2025	Total Last 12 Months
<b>REVENUES</b>		
Sales for resale	\$32,391,168	\$318,858,277
Membership assessments	0	0
Other utility operations	788,506	12,011,334
Other non-utility operations	0	508,483
Interest income	818,565	10,335,134
Interest income used for Debt Service		0
2006 Debt Service Reserve Fund	0	0
2007A Debt Service Reserve Fund	0	0
2009ABC Debt Service Reserve Fund	0	0
2010A Debt Service Reserve	0	0
Federal BABS Revenue	517,880	6,136,951
Rate stabilization transfer	0	0
Total Revenue	<u>\$34,516,119</u>	<u>\$347,850,178</u>
<b>OPERATIONS AND MAINTENANCE EXPENSES</b>		
Purchased power	\$9,465,382	\$62,537,339
Transmission	5,472,856	62,641,242
Trimble County Units 1 & 2:		0
Fuel	2,104,771	21,559,828
Operations and maintenance	662,999	8,627,349
Prairie State Generating Company:		0
Fuel	2,001,166	21,159,501
Operations and maintenance	2,168,275	33,785,784
Member Payments:		0
Fuel reimbursements	402,362	1,384,689
Capacity payments	805,327	8,459,737
Generation payments	7,039	16,764
Other utility operations	45,435	2,099,699
Administration and general	845,873	9,860,907
Other	0	0
Total Operations and Maintenance Expenses	<u>\$23,981,485</u>	<u>\$232,132,839</u>
NET REVENUES	\$10,534,634	\$115,717,339
DEBT SERVICE (See calculation below)	<u>\$7,299,352</u>	<u>\$88,245,380</u>
COVERAGE PERCENTAGE	<u>144.32%</u>	<u>131.13%</u>
CUMULATIVE COVERAGE PERCENTAGE (Fiscal Year 2025-2026)	130.54%	
<b>DEBT SERVICE</b>		
Accrued interest-2006 bonds	\$0	\$0
Principal installment-2006 bonds	0	0
Accrued interest-2007A bonds	0	0
Principal installment-2007A bonds	0	0
Accrued interest-2007C bonds	0	0
Principal installment-2007C bonds	0	0
Accrued interest-2009A bonds	0	0
Principal installment-2009A bonds	0	0
Accrued interest-2009C bonds	1,020,018	12,797,563
Principal installment-2009C bonds	1,217,500	14,245,419
Accrued interest-2010A bonds	467,859	5,836,411
Principal installment-2010A bonds	516,667	6,054,166
Accrued interest-2015A bonds	1,501,058	18,889,740
Principal installment-2015A bonds	2,576,250	30,422,081
Debt Service	<u>\$7,299,352</u>	<u>\$88,245,380</u>

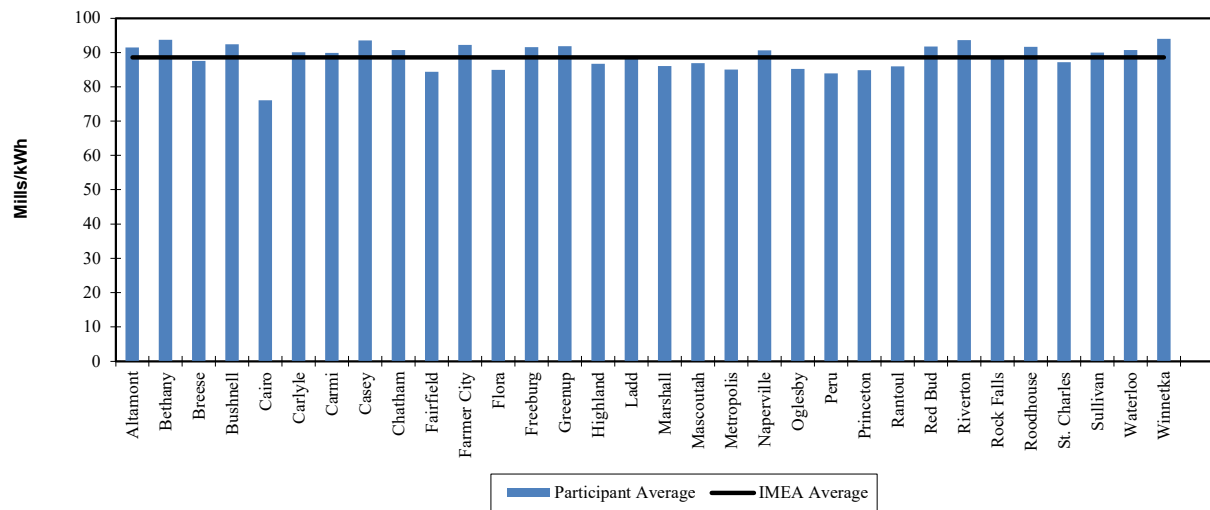


# Illinois Municipal Electric Agency

## Participant Load Factor June 2025



## Participant Average Cost June 2025



Note: Actual peak demand and energy consumption is shown in the monthly operations report.  
Average Cost does not reflect capacity credits to participants.