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## **OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 6**

FINANCIAL STATEMENTS  
Including Independent Auditors' Report

Years Ended December 31, 2011 and 2010

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Participants  
Ohio Municipal Electric Generation Agency Joint Venture 6:

We have audited the accompanying statement of net assets of Ohio Municipal Electric Generation Agency Joint Venture 6 ("OMEGA JV6") as of December 31, 2011, and the related statements of revenues, expenses, and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the OMEGA JV6's management. Our responsibility is to express an opinion on the financial statements based on our audit. The financial statements of OMEGA JV6 as of December 31, 2010, were audited by other auditors whose report dated March 17, 2011, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ohio Municipal Electric Generation Agency Joint Venture 6 as of December 31, 2011, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2012 on our consideration of the Ohio Municipal Electric Generation Agency Joint Venture 6's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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.

*Clark, Schaefer, Haskett & Co.*

Cincinnati, Ohio  
April 19, 2012

# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 6

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2011, 2010 and 2009  
(Unaudited)

## Financial Statement Overview

This discussion and analysis provides an overview of the financial performance of Ohio Municipal Electric Generation Agency Joint Venture 6 ("OMEGA JV6") for the years ended December 31, 2011 and 2010. The information presented should be read in conjunction with the basic financial statements and the accompanying notes.

OMEGA JV6 prepares its basic financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. OMEGA JV6's basic financial statements include the statement of net assets; the statement of revenues, expenses and changes in net assets; and the statement of cash flows.

The statement of net assets provides information about the nature and amount of assets and liabilities of OMEGA JV6 as of the end of the year. The statement of revenues, expenses and changes in net assets reports revenues and expenses and the change in net assets for the year. The statement of cash flows reports cash receipts, cash payments, and net changes in cash resulting from operating, investing and capital and related financing activities.

## Financial Highlights

The following table summarizes the financial position of OMEGA JV6 as of December 31:

### Condensed Statement of Net Assets

	2011	2010	2009
<b>Assets</b>			
Electric plant, net of accumulated depreciation	\$ 7,378,551	\$ 7,735,839	\$ 7,845,267
Regulatory assets	430,145	367,822	294,361
Restricted assets - funds held by trustee	82,517	82,102	80,724
Current assets	1,812,602	1,393,165	994,549
Total Assets	\$ 9,703,815	\$ 9,578,928	\$ 9,214,901
<b>Net Assets and Liabilities</b>			
Net assets - invested in capital assets	\$ 7,378,551	\$ 7,735,839	\$ 7,845,267
Net assets - restricted	82,517	82,102	80,724
Net assets - unrestricted	1,131,481	650,456	442,355
Current liabilities	20,694	24,704	24,470
Asset retirement obligations	1,090,572	1,085,827	822,085
Total Net Assets and Liabilities	\$ 9,703,815	\$ 9,578,928	\$ 9,214,901

# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 6

## MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2011, 2010 and 2009 (Unaudited)

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### **2011 vs. 2010**

Total assets were \$9,703,815 and \$9,578,928 as of December 31, 2011 and December 31, 2010, respectively, an increase of \$124,887. This increase is due to cash reserved for maintenance and repairs offset by a decrease in electric plant, net of depreciation, due to yearly depreciation.

Current assets were \$1,812,602 and \$1,393,165 as of December 31, 2011 and December 31, 2010 respectively, an increase of \$419,437. This increase was primarily due to an increase in cash reserved for maintenance and repairs of \$395,082 and a \$99,599 increase in cash and temporary investments. This increase was offset by a decrease in receivables from related parties of \$70,159.

Non current assets were \$7,891,213 and \$8,185,763 as of December 31, 2011 and December 31, 2010 respectively, a decrease of \$294,550. This decrease was due mainly to a decrease in the value of electric plant, net of depreciation of \$357,288, offset by an increase in regulatory assets of \$62,323. Regulatory assets consist of future recoverable costs related to the accumulated depreciation expense on asset retirement obligations and accretion expense per FASB guidance. Restricted assets consist of marketable securities held in trust as part of a bond requirement for the financing members of OMEGA JV6. These funds are available for use under covenants of the bond agreement. Upon repayment of the bonds, any unused funds will revert to the financing participants of OMEGA JV6. Restricted assets were \$82,517 and \$82,102 as of December 31, 2011 and December 31, 2010 respectively, an increase of \$415.

Total net assets and liabilities were \$9,703,815 and \$9,578,928 as of December 31, 2011 and December 31, 2010 respectively, an increase \$124,887. This increase was a result of an increase in unrestricted net assets and an increase in asset retirement obligations offset by a decrease in investments in capital.

Total net assets were \$8,592,549 and \$8,468,397 as of December 31, 2011 and December 31, 2010 respectively, an increase \$124,152. Net assets – invested in capital assets were \$7,378,551 and \$7,735,839 at December 31, 2011 and December 31, 2010, respectively, a decrease of \$357,288. This decrease resulted from the decrease in electric plant, net of depreciation. Restricted net assets were \$82,517 and \$82,102 at December 31, 2011 and December 31, 2010, respectively, an increase of \$415. This increase reflects an increase in trust cash. Unrestricted net assets were \$1,131,481 and \$650,456 at December 31, 2011 and December 31, 2010, respectively, an increase of \$481,025.

Current liabilities were \$20,694 and \$24,704 at December 31, 2011 and December 31, 2010, respectively, a decrease of \$4,010. This resulted from a decrease in levels of payables to related parties for \$1,618 and a decrease in audit fees of \$5,432, offset by an increase in accounts payable of \$3,040.

Non-current liabilities were \$1,090,572 and \$1,085,827 as of December 31, 2011 and December 31, 2010 respectively, an increase \$4,745. This increase was due to the

# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 6

## MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2011, 2010 and 2009 (Unaudited)

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increase in the net present value of estimated ARO obligations for the project, based on the analysis of independent engineering consultants.

### **2010 vs. 2009**

Total assets were \$9,578,928 and \$9,214,901 as of December 31, 2010 and December 31, 2009, respectively, an increase of \$364,027. This increase is due to cash reserved for maintenance and repairs and increased receivables from related party offset by a decrease in electric plant, net of depreciation, due to yearly depreciation.

Current assets were \$1,393,165 and \$994,549 as of December 31, 2010 and December 31, 2009 respectively, an increase of \$398,616. This increase was primarily due to an increase in cash reserved for maintenance and repairs of \$461,375 and a \$74,127 increase in receivables from related parties. This increase was offset by a decrease in cash and temporary investments of \$141,534. Cash and temporary assets decreased mainly due to cash reserved for maintenance and repairs, offset by an increase in cash received from participants and proceeds from the sale of investments.

Non current assets were \$8,185,763 and \$8,220,352 as of December 31, 2010 and December 31, 2009 respectively, a decrease of \$34,589. This decrease was due mainly to a decrease in the value of electric plant, net of depreciation of \$109,428, offset by an increase in regulatory assets of \$73,461. Regulatory assets consist of future recoverable costs related to the accumulated depreciation expense on asset retirement obligations and accretion expense per FASB guidance. Restricted assets consist of marketable securities held in trust as part of a bond requirement for the financing members of OMEGA JV6. These funds are available for use under covenants of the bond agreement. Upon repayment of the bonds, any unused funds will revert to the financing participants of OMEGA JV6. Restricted assets were \$82,102 and \$80,724 as of December 31, 2010 and December 31, 2009 respectively, an increase of \$1,378.

Total net assets and liabilities were \$9,578,928 and \$9,214,901 as of December 31, 2010 and December 31, 2009 respectively, an increase \$364,027. This increase was a result of an increase in unrestricted net assets and an increase in of asset retirement obligations offset by a decrease in investments in capital.

Total net assets were \$8,468,397 and \$8,368,346 as of December 31, 2010 and December 31, 2009 respectively, a decrease \$100,051. Net assets – invested in capital assets were \$7,735,839 and \$7,845,267 at December 31, 2010 and December 31, 2009, respectively, a decrease of \$109,428. This decrease resulted from the decrease in electric plant, net of depreciation. Restricted net assets were \$82,102 and \$80,724 at December 31, 2010 and December 31, 2009, respectively, an increase of \$1,378. This increase reflects an increase in trust cash. Unrestricted net assets were \$650,456 and \$442,355 at December 31, 2010 and December 31, 2009, respectively, an increase of \$208,101.

Current liabilities were \$24,704 and \$24,470 at December 31, 2010 and December 31, 2009, respectively, a decrease of \$234. This resulted from a decrease in levels of

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2011, 2010 and 2009  
(Unaudited)

payables to related parties for \$3,467, offset by the combination of increased accounts payable of \$1,882 and increased accrued audit fees of \$1,819.

Non-current liabilities were \$1,085,827 and \$822,085 as of December 31, 2010 and December 31, 2009 respectively, an increase \$263,742. This increase was due to the increase in the net present value of estimated ARO obligations for the project, based on the analysis of independent engineering consultants.

The following table summarizes the changes in revenues, expenses and net assets of OMEGA JV6 for the year ended December 31:

**Condensed Statement of Revenues, Expenses and Changes in Net Assets**

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Operating revenues	\$ 746,730	\$ 779,327	\$ 195,396
Operating expenses	695,150	746,110	739,118
Operating Income (Loss)	<u>51,580</u>	<u>33,217</u>	<u>(543,722)</u>
Nonoperating revenue			
Investment income	2,056	3,759	3,509
Future recoverable costs	70,100	61,789	86,255
Nonoperating Revenue	<u>72,156</u>	<u>65,548</u>	<u>89,764</u>
Income before contributions	123,736	98,765	(453,958)
Contributions from participants	<u>416</u>	<u>1,286</u>	<u>5,399</u>
Change in Net Assets	<u>\$ 124,152</u>	<u>\$ 100,051</u>	<u>\$ (448,559)</u>

Rates for electric power are set by OMEGA JV6's Board of Participants and are intended to cover budgeted operating expense (excluding depreciation). OMEGA JV6 does not include any bond payments by OMEGA JV6's financing members in their rates, as these debt service payments are made directly to AMP. In 2007, OMEGA JV6 was authorized by the Internal Revenue Service to issue \$3.5 million in Clean Renewable Energy Bonds that could be used to expand the output of the existing wind farm by installing one additional wind turbine. Although the original authorization was to expire December 31, 2009, this authorization was extended until December 31, 2010. Renewable Energy attributes (RECs or Green Tags) were sold in 2011 and 2010, through the efforts of MESA personnel.

Electric revenues in 2011 were \$746,730 versus \$779,327 in 2010, which is a decrease of \$32,597. The decrease in electric revenues is mainly due to lower sales of renewable energy attributes offset by an increase in budgeted rates on fixed revenue. As such, green tag revenue decreased \$66,293 in 2011. The increase in fixed revenue of \$33,696 is due to higher rates billed per megawatt hour, per the 2011 budget. Electric revenues in 2010 were \$779,327 versus \$195,396 in 2009, which is an increase of \$583,931. The increase in electric revenues is mainly due to higher sales of renewable energy attributes as well as increased budgeted rates on fixed revenue. RECs must be certified before they can be transferred to buyers, and all of 2009 RECs were not certified and delivered until 2010. As such, green tag revenue increased \$461,375 in



**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2011, 2010 and 2009  
(Unaudited)

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2010. The remaining increase in revenue is due to higher rates billed per megawatt hour, per the 2010 budget.

Operating expenses in 2011 were \$695,150 versus \$746,110 in 2010 which is a decrease of \$50,960. This was primarily due to decreased maintenance expense of \$36,867, a decrease in professional services of \$10,488, a decrease in MESA services of \$15,730 and a decrease in non-cash ARO accretion expense of \$2,337. This decrease was offset by a \$6,700 increase in insurance and a \$10,649 increase in non-cash depreciation expense. Operating expenses in 2010 were \$746,110 versus \$739,118 in 2009 which is an increase of \$6,992. This was primarily due to increased maintenance expense of \$21,304, an increase in professional services of \$4,498 and an increase in MESA services of \$4,289. This was due to special maintenance of the gearboxes of the turbines. This increase was offset by a \$15,772 decrease in non-cash depreciation expense and a \$8,694 decrease in non-cash ARO accretion expense.

Investment income in 2011 was \$2,056 versus \$3,759 in 2010 which is a decrease of \$1,703. The decrease is primarily due to decreased interest rates. Investment income in 2010 was \$3,759 versus \$3,509 in 2009 which is an increase of \$250. The increase is primarily due to increased assets invested. Investment income for OMEGA JV6 is interest earned on checking account balances and short term CDs.

If you have questions about this report, or need additional financial information, contact management at 614.540.1111 or 1111 Schrock Road – Suite 100, Columbus, OH 43229.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

STATEMENTS OF NET ASSETS  
December 31, 2011 and 2010

	2011	2010
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and temporary investments	\$ 931,754	\$ 832,155
Board designated funds	856,457	461,375
Receivables from related parties	3,968	74,127
Accrued interest receivable	6	58
Prepaid expenses	20,417	25,450
Total Current Assets	1,812,602	1,393,165
<b>NON-CURRENT ASSETS</b>		
Restricted assets - funds held by trustee	82,517	82,102
Regulatory assets	430,145	367,822
Electric Plant		
Electric plant	9,822,662	9,847,604
Accumulated depreciation	(2,444,111)	(2,111,765)
Total Non-Current Assets	7,891,213	8,185,763
<b>TOTAL ASSETS</b>	<b>\$ 9,703,815</b>	<b>\$ 9,578,928</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 17,231	\$ 19,623
Payable to related parties	3,463	5,081
Total Current Liabilities	20,694	24,704
<b>NON-CURRENT LIABILITIES</b>		
Asset retirement obligation	1,090,572	1,085,827
Total Liabilities	1,111,266	1,110,531
<b>NET ASSETS</b>		
Invested in capital assets	7,378,551	7,735,839
Restricted	82,517	82,102
Unrestricted	1,131,481	650,456
Total Net Assets	8,592,549	8,468,397
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 9,703,815</b>	<b>\$ 9,578,928</b>

See accompanying notes to financial statements.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b>OPERATING REVENUES</b>		
Electric revenue	\$ 746,730	\$ 779,327
<b>OPERATING EXPENSES</b>		
Related party services	58,196	73,926
Depreciation	332,346	321,697
Accretion of asset retirement obligation	37,464	39,801
Maintenance	197,040	233,907
Insurance	45,433	38,733
Professional services	10,200	20,688
Other operating expenses	14,471	17,358
Total Operating Expenses	<u>695,150</u>	<u>746,110</u>
Operating Income	<u>51,580</u>	<u>33,217</u>
<b>NON-OPERATING REVENUES</b>		
Investment income	2,056	3,759
Future recoverable costs	70,100	61,789
Total Non-Operating Revenues	<u>72,156</u>	<u>65,548</u>
Income before Contributions	<u>123,736</u>	<u>98,765</u>
<b>CONTRIBUTIONS FROM PARTICIPANTS</b>	<u>416</u>	<u>1,286</u>
Change in net assets	124,152	100,051
NET ASSETS, Beginning of Year	<u>8,468,397</u>	<u>8,368,346</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 8,592,549</u>	<u>\$ 8,468,397</u>

See accompanying notes to financial statements.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2011 and 2010

	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from participants and customers	\$ 816,889	\$ 705,200
Cash paid to related parties for personnel services	(59,814)	(75,163)
Cash payments to suppliers and related parties for goods and services	(264,503)	(313,932)
Net Cash Provided by Operating Activities	492,572	316,105
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Contributions from participants	416	1,286
Net Cash Provided by Capital and Related Financing Activities	416	1,286
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Deposit to restricted assets	(415)	(1,744)
Investments purchased	(50,000)	(211,738)
Investments sold and matured	212,104	210,000
Investment income received	2,108	3,828
Net Cash Provided by Investing Activities	163,797	346
<b>Net Change in Cash and Cash Equivalents</b>	656,785	317,737
CASH AND CASH EQUIVALENTS, Beginning of Year	1,081,426	763,689
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 1,738,211	\$ 1,081,426
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 51,580	\$ 33,217
Depreciation	332,346	321,697
Accretion of asset retirement obligation	37,464	39,801
Changes in assets and liabilities		
Receivable from related parties	70,159	(74,127)
Prepaid expenses	5,033	(4,717)
Accounts payable and accrued expenses	(2,392)	3,701
Payable to related parties	(1,618)	(3,467)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	\$ 492,572	\$ 316,105
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENTS OF NET ASSETS</b>		
Cash and temporary investments	\$ 931,754	\$ 832,155
Board designated funds	856,457	461,375
Funds held by trustee	82,517	82,102
Total cash accounts	1,870,728	1,375,632
Less: Non-cash equivalents	(132,517)	(294,206)
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	\$ 1,738,211	\$ 1,081,426
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Change in cost of plant due to change in estimated asset retirement obligation	\$ (24,942)	\$ 212,269

See accompanying notes to financial statements.

# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 6

## NOTES TO FINANCIAL STATEMENTS December 31, 2011 and 2010

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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Ohio Municipal Electric Generation Agency Joint Venture 6 (“OMEGA JV6”) was organized by ten subdivisions of the State of Ohio (the “Participants”) and commenced operations on December 15, 2003 (“Inception”), pursuant to a joint venture agreement (the “Agreement”) under the Ohio Constitution and Section 715.02 of the Ohio Revised Code (ORC). Its purpose is to provide low-polluting capacity to the Participants. The Participants are members of American Municipal Power, Inc. (“AMP”). In December 2003 and December 2004, OMEGA JV6 purchased 3.6 MW of electric plant generating units (the “Project”) from AMP for a total capacity of 7.2 MW. The Agreement continues until 60 days subsequent to the termination or disposition of the Project and for as long as required by the financing agreement; provided, however, that each Participant shall remain obligated to pay to OMEGA JV6 its respective share of the costs of terminating, discontinuing, retiring, disposing of, and decommissioning the Project.

The following summarizes the significant accounting policies followed by OMEGA JV6.

#### ***MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION***

The financial statements are reported 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 assets used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in OMEGA JV6’s financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. OMEGA JV6 also has the option of following subsequent private-sector guidance subject to this same limitation. OMEGA JV6 has elected to follow subsequent private-sector guidance.

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.

#### ***ASSETS, LIABILITIES AND NET ASSETS***

##### ***Deposits and Investments***

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, except that restricted cash accounts, if any, are treated as investments in the statement of cash flows.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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***ASSETS, LIABILITIES AND NET ASSETS*** (cont.)

***Deposits and Investments*** (cont.)

OMEGA JV6 has elected to comply with Ohio Revised Code (ORC) section 135.14. Under ORC 135.14, investments are limited to:

1. Deposits at eligible institutions pursuant to ORC section 135.08, 135.09 and 135.18.
2. Bonds or other obligations of the state.
3. Bonds or securities issued or guaranteed by the federal government or its agencies.
4. Bankers acceptances, with certain conditions.
5. The local government investment pool.
6. Commercial paper, with certain conditions.
7. All investments must have an original maturity of 5 years or less.
8. Repurchase agreements with public depositories, with certain conditions.

OMEGA JV6 has adopted an investment policy. That policy follows the state statute for allowable investments and specifies the maximum concentration of investments in each eligible security.

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 quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Market values may have changed significantly after year end.

***Board Designated Funds***

OMEGA JV6's Board of Participants designated funds from existing operating cash for the maintenance and repairs to the generating units.

***Receivables/Payables***

Accounts receivable are amounts due from related parties, as such, no allowance for uncollectible accounts is necessary. Accounts payable are amounts due to vendors for services incurred.

***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.

***Prepaid Expenses***

Prepaid expenses represent costs of insurance paid during the current calendar year for coverage in subsequent years.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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***ASSETS, LIABILITIES AND NET ASSETS (cont.)***

***Electric Plant***

Electric plant is recorded at cost. Depreciation is provided on the straight-line method over 30 years, the estimated useful lives of the assets. Major renewals, betterments and replacements are capitalized, while maintenance and repair costs are charged to operations as incurred. When electric plant assets are retired, accumulated depreciation is charged with the cost of the assets plus removal costs, less any salvage value.

Electric plant assets are assessed for impairment whenever events or changes in circumstances indicate that the service utility of the capital asset may have significantly and unexpectedly declined. If it is determined that an impairment has occurred, an impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its estimated fair value.

***Asset Retirement Obligations***

OMEGA JV6 records, at fair value, legal obligations associated with the retirement or removal of long-lived assets at the time the obligations are incurred and can be reasonably estimated. When a liability is initially recorded, the entity capitalizes the cost by increasing the carrying value of the related long-lived asset. Over time, the liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, the difference between the accrued liability and the amount required to settle the liability is recorded as a settlement gain or loss.

***Regulatory Assets***

In accordance with FASB guidance, *Accounting for the Effects of Certain Types of Regulation*, OMEGA JV6 records regulatory assets (deferred expenses to be recovered in rates in future periods). Regulatory assets include the deferral of depreciation expense and accretion expense associated with asset retirement obligations not yet recovered through billings to Participants. As interest is accreted related to the asset retirement obligation and depreciation is expensed related to the capitalized cost, future recoverable costs are recognized to match revenues with the related costs in future periods. Pursuant to the Agreement, Participants are required to pay all costs related to operations, maintenance and retirement of the jointly owned electric plant.

Regulatory assets consisted of the following at December 31:

	<u>2011</u>	<u>2010</u>
Deferral of expenses related to asset retirement obligations	<u>\$ 430,145</u>	<u>\$ 367,822</u>

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**ASSETS, LIABILITIES AND NET ASSETS (cont.)**

**Net Assets**

All property constituting OMEGA JV6 is owned by the Participants as tenants in common in undivided shares, each being equal to that Participants' percentage ownership interest as follows:

<u>Municipality</u>	<u>Project kW Entitlement</u>	<u>Percent Project Ownership and Entitlement</u>
Bowling Green	4,100	56.94%
Cuyahoga Falls	1,800	25.00
Napoleon	300	4.17
Wadsworth	250	3.47
Oberlin	250	3.47
Montpelier	100	1.39
Edgerton	100	1.39
Pioneer	100	1.39
Monroeville	100	1.39
Elmore	100	1.39
Totals	<u>7,200</u>	<u>100.00%</u>

**REVENUE AND EXPENSES**

OMEGA JV6 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 the OMEGA JV6's principal ongoing operations. The principal operating revenues of OMEGA JV6 are charges to participants for energy and capacity. Operating expenses include the cost of generation, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Electric revenue is recognized when earned as service is delivered. OMEGA JV6's rates for electric power are designed to cover annual operating costs, except depreciation. Rates are set annually by the Board of Participants.

Rates for electric service pursuant to contracts with the Participants are not designed to recover contributed capital used to acquire the electric plant generators. Rates charged to OMEGA JV6 financing participants for debt service are paid to AMP to retire the Project financing obligations (Note 5). Accordingly, OMEGA JV6 will generate negative operating margins during the operating life of the electric plant.



**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**REVENUE AND EXPENSES (cont.)**

Beginning January 1, 2009, renewable energy attributes from OMEGA JV6 were sold by AMP on behalf of the participants. These revenues will be realized upon delivery of the attributes.

**EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS**

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, Statement No. 61, *The Financial Reporting Entity: Omnibus*, Statement No. 62, *Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncement*, Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53). Future application of these standards may restate portions of these financial statements.

**NOTE 2 – CASH AND TEMPORARY INVESTMENTS**

For purposes of the statements of cash flows, cash and cash equivalents consist of unrestricted cash and highly liquid short-term investments with original maturities of three months or less. Restricted cash accounts, if any, are treated as investments in the statements of cash flows, since they are not available for use.

	Carrying Value as of		Risks
	December 31,		
	2011	2010	
Checking	\$ 1,716,822	\$ 1,060,040	Custodial credit
Certificates of Deposit	50,000	212,105	Custodial credit
Commercial Paper	81,961	-	Custodial credit, credit, interest rate, and concentration
Government Money Market Mutual Funds	21,945	103,487	Credit and interest rate
Totals	<u>\$ 1,870,728</u>	<u>\$ 1,375,632</u>	

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and unlimited for noninterest bearing accounts as of December 31, 2011 and 2010.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010

**NOTE 2 – CASH AND TEMPORARY INVESTMENTS (cont.)**

***Custodial Credit Risk***

**Deposits**

Custodial risk is the risk that in the event of a bank failure, OMEGA JV6's deposits may not be returned to it. OMEGA JV6 had custodial credit risk on its cash and temporary investments balance to the extent the balance exceeds the federally insured limit. OMEGA JV6's investment policy requires that amounts in excess of FDIC limits be collateralized by government securities. As of December 31, 2011 and 2010 there were no deposits exposed to custodial credit risk.

**Investments**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, OMEGA JV6 will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. OMEGA JV6's investment policy does not address this risk.

As of December 31, 2011 and 2010, OMEGA JV6's investments were exposed to custodial credit risk as follows:

	2011		2010	
	Bank Balance	Carrying Value	Bank Balance	Carrying Value
Neither insured nor registered and held by a counterparty	\$ 81,961	\$ 81,961	\$ -	\$ -

***Credit Risk***

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations. OMEGA JV6 invests in instruments approved under the entity's investment policy. The Board of Participants has authorized OMEGA JV6 to invest in funds in accordance with the Ohio Revised Code. Allowable investments include United States Treasury and federal and state government agency obligations, money market funds, and commercial paper with the highest classification by at least two nationally recognized standard rating services.

As of December 31, 2011, OMEGA JV6's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
Commercial Paper	A1	P1
Government Money Market Mutual Fund	AAAm	Aaa

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010

**NOTE 2 – CASH AND TEMPORARY INVESTMENTS (cont.)**

***Credit Risk*** (cont.)

As of December 31, 2010, OMEGA JV6's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
Government Money Market Mutual Fund	AAAm	Aaa

***Concentration of Credit Risk***

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. OMEGA JV6's investment policy requires diversification of investments to limit losses from over-concentration of assets in a specific maturity, a specific issuer or a specific type of security, except for US Treasury and fixed rate non-callable Federal Agency securities.

At December 31, 2011 and 2010, OMEGA JV6's investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio 2011	2010
General Electric Corp	Commercial Paper	99.32%	-

***Interest Rate Risk***

Interest rate risk is the risk changes in interest rates will adversely affect the fair value of an investment. OMEGA JV6's investment policy limits the maturity of commercial paper and bankers acceptances to 180 days.

As of December 31, 2011, OMEGA JV6's investments were as follows:

Investment	Maturity Date	Weighted Average Maturity (days)	Fair Value
Government Money Market Mutual Fund	N/A	49	\$ 21,945
General Electric Corp	2/15/2012	46	81,961
			\$ 103,906

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010

**NOTE 2 – CASH AND TEMPORARY INVESTMENTS (cont.)**

***Interest Rate Risk*** (cont.)

As of December 31, 2010, OMEGA JV6's investments were as follows:

Investment	Maturity Date	Weighted Average Maturity (days)	Fair Value
Government Money Market Mutual Fund	N/A	50	\$ 82,102
Government Money Market Mutual Fund	N/A	36	<u>21,385</u>
			<u>\$ 103,487</u>

**NOTE 3 – RESTRICTED ASSETS**

Restricted assets include those assets comprising the Reserve and Contingency Fund, which was established and maintained pursuant to the Agreement.

The Agreement requires OMEGA JV6 to maintain a minimum funding in a Reserve and Contingency Fund of \$50,000. Under the terms of the trust agreement associated with the OMEGA JV6 Bonds, if the balance in the fund is less than the required minimum, then AMP may direct OMEGA JV6 to increase billings to members such that the deficiency in the balance is funded within twelve months.

***Restricted Net Assets***

The following calculation supports the amount of restricted net assets:

	2011	2010
Restricted Assets		
Reserve and Contingency Fund	<u>\$ 82,517</u>	<u>\$ 82,102</u>
Total Restricted Assets	<u>\$ 82,517</u>	<u>\$ 82,102</u>

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010

**NOTE 4 – ELECTRIC PLANT AND EQUIPMENT**

Electric plant and equipment activity for the years ended December 31 is as follows:

	2011			
	Beginning Balance	Additions	Change in Estimate	Ending Balance
Electric plant	\$ 9,847,604	\$ -	\$ (24,942)	\$ 9,822,662
Less: Accumulated depreciation	(2,111,765)	(332,346)	-	(2,444,111)
Electric Plant, Net	<u>\$ 7,735,839</u>	<u>\$ (332,346)</u>	<u>\$ (24,942)</u>	<u>\$ 7,378,551</u>
	2010			
	Beginning Balance	Additions	Change in Estimate	Ending Balance
Electric plant	\$ 9,635,335	\$ -	\$ 212,269	\$ 9,847,604
Less: Accumulated depreciation	(1,790,068)	(321,697)	-	(2,111,765)
Electric Plant, Net	<u>\$ 7,845,267</u>	<u>\$ (321,697)</u>	<u>\$ 212,269</u>	<u>\$ 7,735,839</u>

During 2010, OMEGA JV6 recorded an adjustment to electric plant to reflect the revised estimate of the ARO (Note 6).

**NOTE 5 – ACQUISITION OF THE PROJECT**

Pursuant to the Agreement, OMEGA JV6 purchased the Project and assumed related contracts from AMP. OMEGA JV6 financed the initial purchase with a one year note payable to AMP from OMEGA JV6.

The Participants in OMEGA JV6 consist of financing and nonfinancing participants. On July 1, 2004, AMP issued \$9,861,000 OMEGA JV6 Adjustable Rate Revenue Bonds, Series 2004 (“OMEGA JV6 Bonds”), on behalf of the financing participants of OMEGA JV6. The net proceeds of the bond issue were contributed to OMEGA JV6. The nonfinancing participant in OMEGA JV6 contributed \$139,000.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010

**NOTE 5 – ACQUISITION OF THE PROJECT (cont.)**

The OMEGA JV6 Bonds were not issued by OMEGA JV6 and the financing participants make debt service payments directly to AMP. Therefore, the OMEGA JV6 Bonds are not recorded in the financial statements of OMEGA JV6. The OMEGA JV6 Bonds outstanding at December 31, 2011, are as follows:

<u>Maturity Date</u> <u>February 15 and August 15,</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2012	971,000	0.28%
2013	985,000	0.28%
2014	990,000	0.28%
2015	996,000	0.28%
2016	6,000	0.28%
Total	<u>\$ 3,948,000</u>	

The maturity table assumes an interest rate of 0.28%, which is equal to the interest rate used to calculate the February 15, 2012 principal payment.

Principal and interest on the OMEGA JV6 Bonds is payable in \$500,000 semi-annual installments on February 15 and August 15, beginning February 15, 2005. The OMEGA JV6 Bonds bear interest at an adjustable rate, which shall be established by reference to the Six-Month Municipal Market Data High Grade Index Rate (the "MMD Index Rate") plus 15 basis points. The adjustable rate will automatically be reset semi-annually, based on the MMD Index Rate as of two business days prior to the beginning of the next interest period. On August 15, 2019, the balance of the principal of the OMEGA JV6 Bonds, if not theretofore paid or provided for, shall become due and payable.

The OMEGA JV6 Bonds are payable solely from the basic and additional demand charges of the OMEGA JV6 financing participants. The OMEGA JV6 Bonds require compliance by the financing participants with the OMEGA JV6 Agreement, which requires that each financing participant maintain a debt service coverage ratio of 1.1 or greater.

Based on unaudited information for the years ended December 31, 2011 and 2010, all financing participants are in compliance with the debt service coverage requirements.

The OMEGA JV6 Bonds are subject to optional redemption at any time, at the sole discretion of participants of OMEGA JV6, at the price of par plus accrued interest.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010

**NOTE 6 – ASSET RETIREMENT OBLIGATIONS**

Under the terms of lease agreements, OMEGA JV6 has an obligation to remove electric plant from the leased sites where the units are located and to perform certain restoration activities at the sites.

Asset retirement obligation activity for the years ended December 31 is as follows:

	2011			
	Beginning Balance	Accretion Expense	Change in Estimate	Ending Balance
Asset retirement obligation	\$ 1,085,827	\$ 37,464	\$ (32,719)	\$ 1,090,572
	2010			
	Beginning Balance	Accretion Expense	Change in Estimate	Ending Balance
Asset retirement obligation	\$ 822,085	\$ 39,801	\$ 223,941	\$ 1,085,827

Asset retirement obligations are determined based on detailed cost estimates, adjusted for factors that an outside third party would consider (i.e., inflation, overhead and profit), escalated using an inflation factor to the estimated removal dates, and then discounted using a credit adjusted risk-free interest rate. The removal date for each unit was determined based on the estimated life of the units. The accretion of the liability and amortization of the property and equipment will be recognized over the estimated useful life of each unit. OMEGA JV6 updated its estimate of its asset retirement obligation based on an updated legal and technical study performed during 2011 and 2010.

**NOTE 7 – NET ASSETS**

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

Invested in capital assets, net of related debt - This component of net assets 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 assets component as the unspent proceeds.

Restricted - This component of net assets 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.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010

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**NOTE 7 – NET ASSETS (cont.)**

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Unrestricted net assets - The component of net asset consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

When both restricted and unrestricted resources are available for use, it is OMEGA JV6's policy to use restricted resources first, then unrestricted resources as they are needed.

The following calculation supports the net assets invested in capital assets:

	<u>2011</u>	<u>2010</u>
Electric Plant	\$ 9,822,662	\$ 9,847,604
Accumulated Depreciation	<u>(2,444,111)</u>	<u>(2,111,765)</u>
Total Net Assets Invested in Capital Assets	<u>\$ 7,378,552</u>	<u>\$ 7,735,839</u>

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**NOTE 8 – COMMITMENTS AND CONTINGENCIES**

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***ENVIRONMENTAL MATTERS***

The Project is subject to regulations by federal, state and local authorities related to environmental and other matters. Changes in regulations could adversely affect the operations and operating cost of OMEGA JV6.

Bird and bat collisions with the turning blades of wind turbines have resulted in wildlife losses in some wind turbine locations. There have reportedly been some dead bats observed near the project by an outside college study group. If it is concluded that there is a bird or bat collision problem, fines may be assessed or operational restrictions imposed against OMEGA JV6.

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**NOTE 9 – RISK MANAGEMENT**

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OMEGA JV6 is covered under the insurance policies of AMP and is billed for its proportionate share of the insurance expense. AMP maintains insurance policies related to commercial property, motor vehicle liability, workers' compensation, excess liability, general liability, pollution liability, directors' and officers' insurance, fiduciary liability, crime and fidelity coverage. There have been no claims in the past three years. There were no significant reductions in coverage compared to the prior year.

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**NOTE 10 – SIGNIFICANT CUSTOMERS**

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OMEGA JV6 has two participants that comprised 33% and 82% of electric service revenue in 2011 and 2010, respectively.



**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010

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**NOTE 11 – RELATED PARTY TRANSACTIONS**

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OMEGA JV6 has entered into the following agreements:

- Pursuant to the Agreement, AMP was designated as an agent and provides various management and operational services. OMEGA JV6 incurred expenses related to these services in the amount of \$2,123 and \$2,230 for the years ended December 31, 2011 and 2010, respectively, and had a payable of \$259 and \$185 to AMP at December 31, 2011 and 2010, respectively.
  - As OMEGA JV6's agent, AMP entered into an agreement with Municipal Energy Services Agency ("MESA"), a related joint venture, for MESA to provide certain engineering, finance, administration and other services. The expenses related to these services were \$56,073 and \$71,696 for the years ended December 31, 2011 and 2010, respectively. OMEGA JV6 had a payable to MESA for \$3,204 and \$4,896 at December 31, 2011 and 2010, respectively.
  - OMEGA JV6 had a receivable from OMEGA JV5 of zero and \$6,624 as of December 31, 2011 and 2010, respectively, for operational activities between the entities.
  - During 2011 and 2010, AMP sold green tags on behalf of OMEGA JV6. OMEGA JV6 had a receivable from AMP of \$3,968 and \$67,503 as of December 31, 2011 and 2010, respectively.
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**NOTE 12 – FUTURE LEASE COMMITMENT**

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On November 14, 2002, AMP entered into a 20 year lease for the land where the Project is located. The term of the lease allows for annual renewals if the Project is commercially operable. The lease requires annual payments of \$1,000 per wind turbine unit. AMP has assigned this lease to OMEGA JV6. Rent expense from this lease totaled \$4,000 during each of the years ended December 31, 2011 and 2010.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Participants  
Ohio Municipal Electric Generation Agency Joint Venture 6:

We have audited the financial statements of Ohio Municipal Electric Generation Agency Joint Venture 6 (“OMEGA JV6”) as of and for the year ended December 31, 2011, and have issued our report thereon dated April 19, 2012, wherein we noted the financial statements for the year ended December 31, 2010 were audited by other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of OMEGA JV6 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the OMEGA JV6’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the OMEGA JV6’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the OMEGA JV6’s internal control over financial reporting.

*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 a 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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### **Compliance And Other Matters**

As part of obtaining reasonable assurance about whether the OMEGA JV6's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Participants, management, and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

*Clark, Schaefer, Haskett & Co.*

Cincinnati, Ohio  
April 19, 2012

**Ohio Municipal Electric Generation Agency Joint Venture 6**  
Schedule of Prior Audit Findings  
Year Ended December 31, 2011

**Finding 1 – Internal Control Over Financial Reporting**

During the prior audit, it was noted that OMEGA JV6 was not able to prepare a complete set of financial statements and had material adjusting journal entries.

***Status:*** *Corrected during 2011.*