OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 5

FINANCIAL STATEMENTS
Including Independent Auditors' Report

Years Ended December 31, 2015 and 2014

CLARK SCHAEFER HACKETT
STRENGTH IN NUMBERS

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INDEPENDENT AUDITORS' REPORT

To the Board of Participants
Ohio Municipal Electric Generation Agency Joint Venture 5:

Report on the Financial Statements

We have audited the accompanying financial statements of Ohio Municipal Electric Generation Agency Joint Venture 5 ("OMEGA JV5"), which comprise the statements of net position as of December 31, 2015 and 2014, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 5 as of December 31, 2015 and 2014, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 – 9 be presented to supplement the basic financial statements. Such information, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2016 on our consideration of OMEGA JV5'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering OMEGA JV5's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
April 20, 2016

OHIO MUNICIPAL ELECTRIC GENERATION AGENCY
JOINT VENTURE 5

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2015, 2014 and 2013
(Unaudited)

Financial Statement Overview

This discussion and analysis provides an overview of the financial performance of Ohio Municipal Electric Generation Agency Joint Venture 5 ("OMEGA JV5") for the years ended December 31, 2015 and 2014. The information presented should be read in conjunction with the basic financial statements and the accompanying notes.

OMEGA JV5 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 JV5's basic financial statements include the statement of net position; the statement of revenues, expenses and changes in net position; and the statement of cash flows.

The statement of net position provides information about the nature and amount of assets and deferred outflows of resources and liabilities and deferred outflow of resources of OMEGA JV5 as of the end of the year. The statement of revenues, expenses and changes in net position reports revenues and expenses and the change in net position 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 JV5 as of December 31:

	2015	2014	2013
Assets and Deferred Outflow of Resources			
Restricted assets - current	$ -	$ -	$ 7,759,990
Other current Assets	5,527,587	4,163,404	7,800,793
Restricted assets - noncurrent	3,034,597	3,009,612	3,334,810
Electric plant and land	109,086,709	113,787,195	118,173,628
Other assets	3,520,069	3,140,362	2,719,789
Deferred outflow of resources	-	-	1,758,060
Total assets and deferred outflow of resources	$ 121,168,962	$ 124,100,573	$ 141,547,070
Net Position, Liabilities, and Deferred Inflow of Resources			
Net investment in capital assets	$ 28,746,334	$ 27,191,666	$ 14,328,334
Net position - restricted	3,034,597	3,009,612	8,422,462
Net position - unrestricted	(28,793,044)	(27,213,391)	(12,978,833)
Net beneficial interest certificates	30,537,188	28,916,056	100,248,354
Note payable	49,803,187	57,679,473	-
Current liabilities	2,460,627	1,459,424	9,775,847
Noncurrent liabilities	414,986	1,054,898	92,118
Deferred inflow of resources	34,965,087	32,002,835	21,658,788
Total net position, liabilities, and deferred inflow of resources	$ 121,168,962	$ 124,100,573	$ 141,547,070

2015 vs. 2014

Total assets and deferred outflow of resources were $121,168,962 and $124,100,573 as of December 31, 2015 and December 31, 2014, respectively, a decrease of $2,931,611. The decrease was due to yearly depreciation which reduced the total asset balance by $4,705,550 as well as a decrease in receivables from related parties of $551,906 due to payment of an amount from AMP that occurred in 2014 that did not occur in 2015. This decrease was partially offset by an increase of $1,150,043 in receivables from the timing of REC credits sold to a counterparty, and an increase in regulatory assets due to expenses incurred in excess of revenue collected.

Total current assets were $5,527,587 and $4,163,404 as of December 31, 2015 and December 31, 2014, respectively, an increase of $1,364,183. This is mainly due to an increase of $1,150,043 in accounts receivable from REC sales to a counterparty and offset by a decrease of $551,906 in receivables from related parties due to payment of an amount due from AMP that occurred in 2014 that did not occur in 2015.

Utility plant assets were $109,086,709 and $113,787,195 as of December 31, 2015 and December 31, 2014, respectively, a decrease of $4,700,486. Utility plant assets decreased due to the yearly depreciation of $4,705,550 as well as the decrease of $1,318 in ARO assets that were recorded during the year. In 2015, OMEGA JV5 estimated an ARO asset of $313,314. OMEGA JV5 developed its estimate of its asset retirement obligation based on a legal and technical study performed during 2015. There were no significant capital expenditures or retirements of assets for OMEGA JV5 in 2015.

Noncurrent restricted assets were $3,034,597 and $3,009,612 as of December 31, 2015 and December 31, 2014, respectively, an increase of $24,985 due to investment gains experienced during the year. These amounts at December 31, 2014 represent amounts in the Reserve and Contingency Fund that are held in accordance with the 2001 Certificates bond indenture.

Other assets were $3,520,069 and $3,140,362 as of December 31, 2015 and December 31, 2014, respectively, an increase of $379,707. The increase is mainly due to an increase of $377,158 in regulatory assets due to expenses incurred for the year in excess of revenues collected and $2,549 in prepaid bond insurance amortization.

Total net position, liabilities, and deferred inflow of resources were $121,168,962 and $124,100,573 as of December 31, 2015 and December 31, 2014, respectively, a decrease of $2,931,611.

Net position was $2,987,887 at December 31, 2015 and December 31, 2014.

Net Beneficial Interest Certificates were $30,537,188 and $28,916,056 at December 31, 2015 and December 31, 2014, respectively, an increase of $1,621,132. This is due to the accreted interest on the zero coupon bonds that begin to become due in 2025.

Note payable was $49,803,187 and $57,679,473 at December 31, 2015 and December 31, 2014, respectively, a decrease of $7,876,286. On February 15, 2014, all of the 2004 Certificates were redeemed from funds held under the trust agreement securing the 2004 Certificates and the proceeds of a note issued to AMP by OMEGA JV5. OMEGA JV5 made monthly principal payments on the promissory note during the year and the resulting balance was $49,803,187 at December 31, 2015. This long term portion was reclassified as short term at December 31, 2015 as the entire amount became due to AMP in January of 2016 as debt issued from a third party to repay the note payable.

Current liabilities were $2,460,627 and $1,459,424 at December 31, 2015 and December 31, 2014, respectively, an increase of $1,001,203. This increase was mainly due to an increase in accrued expenses mainly for accruals for amounts due to members for RECs sold to a third party.

Noncurrent liabilities were $414,986 and $1,054,898 at December 31, 2015 and December 31, 2014, respectively, a decrease of $639,912. This was the result of a decrease in accrued license fees and asset retirement obligation. The accrued license fees decreased by $638,594 due to the timing of the payment of yearly fees to the Federal Energy Regulatory Commission that were not paid until later in the year in 2014. Additionally, in 2015, OMEGA JV5 estimated an ARO liability and corresponding asset of $313,314, a decrease of $1,318 compared to the ending balance of $314,632 at December 31, 2014. OMEGA JV5 developed its estimate of its asset retirement obligation based on a legal and technical study performed during 2015.

Deferred inflow of resources was $34,965,087 and $32,002,835 as of December 31, 2015 and December 31, 2014, respectively an increase of $2,962,252. This was primarily the result of revenue received in excess of expenses, particularly for capacity revenue.

2014 vs. 2013

Total assets and deferred outflow of resources were $124,100,573 and $141,547,070 as of December 31, 2014 and December 31, 2013, respectively, a decrease of $17,446,497. The decrease was due to restricted assets – funds held by trustee, cash and temporary investments that were liquidated and used to repay the 2004 Certificates called on February 15, 2014. Additionally, yearly depreciation reduced the total asset balance by depreciation expense of $4,701,065. These decreases were partially offset by an increase in regulatory assets and receivables from related parties.

Total current assets were $4,163,404 and $15,560,783 as of December 31, 2014 and December 31, 2013, respectively, a decrease of $11,397,379. This is due to decreases of $7,759,990 in restricted assets – funds held by trustee and $4,277,197 in cash and temporary investments partially offset by an increase in receivables from related parties $567,318. Restricted assets – funds held by trustee were funds held in accordance with the 2004 Certificates bond indenture agreement. These investments as well as cash on hand used to repay amounts outstanding on the 2004 Certificates when these were called on February 15, 2014.

Utility plant assets were $113,787,195 and $118,173,628 as of December 31, 2014 and December 31, 2013, respectively, a decrease of $4,386,433. Utility plant assets decreased as a result of depreciation. This amount was offset by an increase in ARO assets that were recorded during the year. In 2014, OMEGA JV5 estimated an ARO of $314,632. OMEGA JV5 developed its estimate of its asset retirement obligation based on a legal and technical study performed during 2014. There were no significant capital expenditures or retirements of assets for OMEGA JV5 in 2014.

Noncurrent restricted assets were $3,009,612 and $3,334,810 as of December 31, 2014 and December 31, 2013, respectively, a decrease of $325,198. These amounts at December 31, 2014 represent amounts in the Reserve and Contingency Fund that are held in accordance with the 2001 Certificates bond indenture. This amount was reduced in 2014 to repay the 2004 certificates as the Reserve and Contingency Fund amounts held in accordance with the 2004 Certificates bond indenture are no longer required and were used to repay the 2004 Certificates called during the year.

Other assets were $3,140,362 and $2,719,789 as of December 31, 2014 and December 31, 2013, respectively, an increase of $420,573. The increase is due to a regulatory asset debt service increase of $852,519 offset by decreased prepaid bond insurance of $431,946. The amount of prepaid bond insurance that related to the 2004 Certificates, called during the year was fully amortized by December 31, 2014.

Deferred outflow of resources were $0 and $1,758,060 as of December 31, 2014 and December 31, 2013, respectively a decrease of $1,758,060. This decrease is related to the amortization of the 1993 bond defeasance, which arose when that amount was called and the 2004 Certificates were issued. This amount was fully amortized by December 31, 2014 as this amount related fully to the 2004 Certificates called during the year.

Total net position, liabilities, and deferred inflow of resources were $124,100,573 and $141,547,070 as of December 31, 2014 and December 31, 2013, respectively, a decrease of $17,446,497.

Net position was $2,987,887 and $9,771,963 at December 31, 2014 and December 31, 2013.

Net Beneficial Interest Certificates less current portion were $28,916,056 and $100,248,354 at December 31, 2014 and December 31, 2013, respectively, a decrease of $71,332,298. This reduction is mainly due to the full repayment of the 2004 Certificates during 2014 in the amount of $76,345,000, as well as a full amortization of the premium on the 2004 certificates of $1,877,341. On February 15, 2014, all of the 2004 Certificates were redeemed from funds held under the trust agreement securing the 2004 Certificates and the proceeds of a note issued by AMP to OMEGA JV5.

Note payable less current portion was $49,920,890 and $0 at December 31, 2014 and December 31, 2013, respectively, an increase of $49,920,890. On February 15, 2014, all of the 2004 Certificates were redeemed from funds held under the trust agreement securing the 2004 Certificates and the proceeds of a note issued to AMP by OMEGA JV5. OMEGA JV5 made monthly principal payments on the promissory note during the year and the resulting long term portion is $49,920,890 at December 31, 2014.

Current liabilities were $9,218,007 and $9,775,847 at December 31, 2014 and December 31, 2013, respectively, an increase of $557,840. This was due mainly to increases in the current portion of the note payable to AMP. This amount is the portion due within one year on the note issued by AMP to OMEGA JV5 used to repay the 2004 Certificates. The amount is due in 2015 based on the debt service collection plan approved by project participants in 2014. This increase was offset by decreases in accrued interest of $1,402,515 due on the 2004 Certificates in the prior year that were called in the current year. Additionally, debt service collected to be reimbursed to members collected in accordance with the 2004 Certificates bond indenture was reduced as that was refunded to participants in 2014 and will not occur again as this debt was called in 2014.

Noncurrent liabilities were $1,054,898 and $92,118 at December 31, 2014 and December 31, 2013, respectively, an increase of $962,780. This was the result of an increase in accrued license fees and asset retirement obligation. The accrued license fees increased $648,148 due to the timing of payments of yearly fees to the Federal Energy Regulatory Commission. Additionally, in 2014, OMEGA JV5 estimated an ARO liability and corresponding asset of $314,632. OMEGA JV5 developed its estimate of its asset retirement obligation based on a legal and technical study performed during 2014.

Deferred inflow of resources was $32,002,835 and $21,658,788 as of December 31, 2014 and December 31, 2013, respectively an increase of $10,344,047. This was primarily the result of deferred inflow of resources recorded relating to debt that was subsequently refinanced for $9,023,194. Additionally, amounts collected for long term operating and maintenance billing added to this amount for $1,320,853.

The following table summarizes the changes in revenues, expenses and net position of OMEGA JV5 for the years ended December 31:

Condensed Statement of Revenues, Expenses and Changes in Net Position

	2015	2014	2013
Operating revenues	$ 24,424,933	$ 13,531,564	$ 22,506,356
Operating expenses	22,215,343	17,748,173	16,493,360
Operating income	2,209,590	(4,216,609)	6,012,996
Nonoperating income and expense			
Investment income	26,774	356,079	28,219
Interest expense	(2,222,537)	(4,368,941)	(6,416,305)
Amortization	(13,827)	1,445,395	375,090
Total nonoperating income/(expense)	(2,209,590)	(2,567,467)	(6,012,996)
Change in net position	$ -	$ (6,784,076)	$ -

Operating results

Operating revenues were $24,424,933 in 2015, an increase of $10,893,369 from 2014 operating revenue of $13,531,564. The increase in revenues was primarily due to increases in revenue related to debt service, REC sales to a third party and capacity sales to the RTO.

Operating revenues were $13,531,564 in 2014, a decrease of $8,974,792 over 2013. Revenue billed to members increased $1,727,335 to $23,199,568 from $21,472,233. This amount increased due to increases in variable revenue collected for $564,496 due to increased production in 2014 as compared to 2013. Also, amounts for renewable energy certificates and capacity sales increased $1,606,978. The increase in revenues billed to members was offset by amounts recorded due to deferred inflow of resources recorded in 2014 related to debt service collected in excess of refinanced debt in the amount of $9,023,194. This amount was recorded to match amounts billed to participants for operating assets, the value of those assets and the corresponding debt associated with those assets. This amount fluctuated in the current year because the 2004 certificates were called on February 15, 2014. The 2004 certificates were repaid using trustee cash, funds on hand and a note issued by AMP to OMEGA JV5.

Operating expenses were $22,215,343 in 2015, an increase of $4,467,170 from 2014 operating expenses of $17,748,173. This increase was primarily the result of an increase in capacity expense of $2,476,460 due to higher capacity prices in 2015 as compared to 2014. Operating expenses also increased due to increased purchased power of $808,371 expense due increased transmission costs. Additionally, the project experienced an increase of $589,751 in maintenance due to major maintenance performed in 2015 that was not performed in 2014 as well as an increase of $681,438 in labor and overhead offset by a decrease of $88,620 in other operating expenses.

Operating expenses were $17,748,175 in 2014, an increase of $1,254,815 from 2013. This increase was primarily the result of an increase in capacity expense of $666,250 due to higher capacity prices in 2014 as compared to 2013, and increased purchased power of $514,252 due to increased transmission costs which were offset by decreases in maintenance of $484,719 due to major maintenance performed in 2013 that was not performed in 2014.

Non-Operating expense totaled $2,209,590 in 2015 and $2,567,467 in 2014, respectively, a decrease of $357,877. This decrease was caused primarily by a decrease a decrease in interest charged on the note payable as the average amount outstanding was less than the prior year due to monthly payments. Amortization decreased by $1,459,222 from the prior year as intangible assets and liabilities related to the 2004 certificates were fully amortized in 2014. As such, the amortization did not recur in the current year as the only amount remaining is the amortization of the bond insurance related to the 2001 certificates.

Non-Operating expense totaled $2,567,467 in 2014 and $6,012,996 in 2013, respectively, a decrease of $3,445,529. This decrease was caused primarily by a decrease in interest expense in 2014 as the 2004 certificates were called on February 15, 2014 using trustee cash, cash on hand and a note issued by AMP to OMEGA JV5. This transaction reduced both the principal of debt outstanding on which interest is charged and the interest rate on the debt.

There were no distributions to participants in the past five years.

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 5

STATEMENTS OF NET POSITION
December 31, 2015 and 2014

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and temporary investments	$ 2,934,188	$ 2,141,427
Receivables from participants	2,211,636	1,061,593
Receivables from related parties	25,412	577,318
Accrued interest receivable	63,734	63,734
Inventory	98,113	113,484
Prepaid expenses	194,504	205,848
Total Current Assets	5,527,587	4,163,404
NONCURRENT ASSETS		
Restricted Assets		
Restricted assets - funds held by trustee	3,034,597	3,009,612
Electric Plant and Land		
Electric plant in service	186,665,717	186,667,035
Land	431,881	431,881
Accumulated depreciation	(78,010,889)	(73,311,721)
Net Electric Plant and Land	109,086,709	113,787,195
Other Assets		
Prepaid bond insurance, net	224,928	222,379
Regulatory asset	3,295,141	2,917,983
Total Noncurrent Assets	115,641,375	119,937,169
TOTAL ASSETS	$ 121,168,962	$ 124,100,573

See accompanying notes to financial statements.

OHIO MUNICIPAL ELECTRIC GENERATION AGENCY
JOINT VENTURE 5

STATEMENTS OF NET POSITION
December 31, 2015 and 2014

	2015	2014
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	2,016,268	$ 1,320,867
Payable to related parties	444,359	138,557
Note payable - current	49,803,187	7,758,583
Total Current Liabilities	52,263,814	9,218,007
NONCURRENT LIABILITIES		
Accrued license fees	101,672	740,266
Note payable	-	49,920,890
2001 beneficial interest certificates	56,125,000	56,125,000
Unamortized discount	(25,587,812)	(27,208,944)
Asset retirement obligation	313,314	314,632
Total Noncurrent Liabilities	30,952,174	79,891,844
Total Liabilities	83,215,988	89,109,851
DEFERRED INFLOW OF RESOURCES		
Rates intended to recover future costs	34,965,087	32,002,835
TOTAL DEFERRED INFLOW OF RESOURCES	34,965,087	32,002,835
NET POSITION		
Net investment in capital assets	28,746,334	27,191,666
Restricted	3,034,597	3,009,612
Unrestricted	(28,793,044)	(27,213,391)
Total Net Position	2,987,887	2,987,887
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 121,168,962	$ 124,100,573

See accompanying notes to financial statements.

OHIO MUNICIPAL ELECTRIC GENERATION AGENCY
JOINT VENTURE 5

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
December 31, 2015 and 2014

	2015	2014
OPERATING REVENUES		
Electric revenue	$ 24,424,933	$ 13,531,564
OPERATING EXPENSES		
Purchased power	7,439,502	6,631,131
Capacity	3,780,051	1,303,591
Related party services	2,189,958	1,508,520
Depreciation	4,705,550	4,701,065
Maintenance	1,530,914	941,163
Utilities	195,180	215,126
Insurance	400,677	405,986
Professional services	78,687	62,245
Payment in lieu of taxes	840,000	840,000
Other operating expenses	1,054,824	1,139,346
Total Operating Expenses	22,215,343	17,748,173
Operating Income (Loss)	2,209,590	(4,216,609)
NONOPERATING INCOME AND EXPENSE		
Investment income	26,774	356,079
Interest expense	(2,222,537)	(4,368,941)
Amortization of insurance	(13,827)	(431,946)
Amortization of premium	-	1,877,341
Total Nonoperating Expense	(2,209,590)	(2,567,467)
Change in net position	-	(6,784,076)
NET POSITION, Beginning of Year	2,987,887	9,771,963
NET POSITION, END OF YEAR	$ 2,987,887	$ 2,987,887

See accompanying notes to financial statements.

OHIO MUNICIPAL ELECTRIC GENERATION AGENCY
JOINT VENTURE 5

STATEMENTS OF CASH FLOWS
December 31, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from participants	$ 25,859,984	$ 22,437,697
Cash paid to related parties for personnel services	(1,884,156)	(1,528,534)
Cash payments to suppliers and related parties for goods and services	(14,690,790)	(11,150,190)
Net Cash Provided by Operating Activities	9,285,038	9,758,973
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments on beneficial interest certificates	-	(76,345,000)
Interest payments on beneficial interest certificates	-	(1,897,700)
Proceeds from issuance of note payable to related party	-	65,891,509
Principal payments on note payable to related party	(7,876,286)	(8,212,036)
Interest payments on note payable to related party	(601,406)	(580,653)
Proceeds from debt service to be refunded to members	-	232,270
Payment of debt service refunded to members	-	(1,502,093)
Net Cash Used in Capital and Related Financing Activities	(8,477,692)	(22,413,703)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments purchased	(24,985)	(1,168,517)
Investments sold and matured	-	9,253,708
Investment income received	10,400	292,342
Net Cash Provided by (Used in) Investing Activities	(14,585)	8,377,533
Net Change in Cash and Cash Equivalents	792,761	(4,277,197)
CASH AND CASH EQUIVALENTS, Beginning of Year	2,141,427	6,418,624
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,934,188	$ 2,141,427

See accompanying notes to financial statements.

OHIO MUNICIPAL ELECTRIC GENERATION AGENCY
JOINT VENTURE 5

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2015 and 2014

	2015	2014
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	$ 2,209,590	$ (4,216,609)
Noncash items in operating income		
Depreciation	4,705,550	4,701,065
Changes in assets and liabilities		
Receivables from participants	(1,150,043)	(137,375)
Receivables from related parties	551,906	(567,318)
Regulatory asset	(383,541)	(733,221)
Inventory	15,371	6,300
Prepaid expenses	11,344	3,021
Deferred inflows	2,962,252	10,344,047
Accounts payable and accrued expenses	695,401	(269,071)
Payable to related parties	305,802	(20,014)
Accrued license fees	(638,594)	648,148
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 9,285,038	$ 9,758,973
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENTS OF NET POSITION		
Cash and temporary investments	$ 2,934,188	$ 2,141,427
Funds held by trustee	3,034,597	3,009,612
Total Cash Accounts	5,968,785	5,151,039
Less Non-cash equivalents	(3,034,597)	(3,009,612)
TOTAL CASH AND CASH EQUIVALENTS	$ 2,934,188	$ 2,141,427
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Change in cost of plant due to change in estimated asset retirement obligation	$ (1,318)	$ 314,633

See accompanying notes to financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ohio Municipal Electric Generation Agency Joint Venture 5 ("OMEGA JV5") was organized by 42 subdivisions of the State of Ohio (the "Participants") on April 20, 1993, pursuant to a Joint Venture Agreement (the "Agreement") under the Ohio Constitution and Section 715.02 of the Ohio Revised Code. Its purpose was to undertake the Belleville Hydroelectric Project (the "Project"). The Participants are members of American Municipal Power, Inc. ("AMP"). OMEGA JV5 constructed and owns and operates the Project. The Project operations consist of:

- The Belleville hydroelectric generating plant and associated transmission facilities ("Belleville Hydroelectric Facilities");
- Backup generation facilities, including contracts for the output thereof; and
- Power purchased on behalf of OMEGA JV5 participants.

The Belleville Hydroelectric Facilities consists of a run-of-the-river hydroelectric plant designed for a capacity of 42 megawatts and approximately 26.5 miles of 138-kilovolt transmission facilities. The plant is located in West Virginia, on the Ohio River, at the Belleville Locks and Dam.

The Project was constructed with proceeds from the issuance of beneficial interest certificates (the "Certificates"). The Certificates evidence the obligation of the Participants to pay for the cost of the Project from revenues of their electric systems. The Agreement continues until 60 days subsequent to the termination or disposition of the Project and thereafter until the date the principal of, premium, if any, and interest on all bonds have been paid or deemed paid in accordance with any applicable trust indenture; provided, however, that each Participant shall remain obligated to pay to OMEGA JV5 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 JV5.

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 asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place or deferred until a future period in which they will be recovered through rates.

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (cont.)

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, DEFERRED INFLOW/OUTFLOW OF RESOURCES AND NET POSITION

Deposits and Investments

For purposes of the statements 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.

OMEGA JV5 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 JV5 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.

Receivables/Payables

Accounts receivable are amounts due from participants at the end of the year. Due to the participant relationship and the high degree of collectibility, no allowance for uncollectible accounts is necessary. Accounts payable are amounts due to vendors for services incurred.

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

ASSETS, LIABILITIES, DEFERRED INFLOW/OUTFLOW OF RESOURCES AND NET POSITION (cont.)

Inventory

Inventory consists of fuel and is stated at the lower of first-in, first-out (“FIFO”) cost or market.

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.

OMEGA JV5 Plant

OMEGA JV5 plant is recorded at cost and consists of the hydroelectric plant, equipment, transmission facilities, and backup generating units. Depreciation is provided on the straight-line method over the estimated useful life of the assets ranging from 3 to 40 years. Major renewals, betterments and replacements are capitalized, while maintenance and repair costs are charged to operations as incurred. When OMEGA JV5 plant assets are retired, accumulated depreciation is charged with the cost of the assets plus removal costs, less any salvage value.

OMEGA JV5 plant assets are assessed for impairment whenever events or changes in circumstances indicate that the service of the capital asset may have significantly and unexpectedly declined. If it is determined that 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 JV5 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 cost of the related long-lived asset is increased. 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 to settle the liability is recorded as a settlement gain or loss. Depreciation expense and accretion expense incurred, but not yet recovered through rates, are offset by regulatory assets to be recovered through future billings to Participants. OMEGA JV5 determined in 2015 that there is an asset retirement obligation associated with the back-up diesel units.

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

ASSETS, LIABILITIES, DEFERRED INFLOW/OUTFLOW OF RESOURCES AND NET POSITION (cont.)

Regulatory Assets

OMEGA JV5 records regulatory assets (expenses to be recovered in rates in future periods).

Deferred Inflow of Resources

OMEGA JV5 records deferred inflows of resources (rates collected for expenses not yet incurred). In addition, consist of revenue related to amounts prepaid by the Participants for operation and maintenance expenses and are recorded as income when the related expenditure occurs.

Long-Term Obligations

Long-term debt and other obligations are reported as OMEGA JV5 liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method

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

ASSETS, LIABILITIES, DEFERRED INFLOW/OUTFLOW OF RESOURCES AND NET POSITION (cont.)

Net Position

All property constituting OMEGA JV5 is owned by the Participants as tenants in common in undivided shares, each share being equal to that Participant's percentage ownership interest as follows:

Municipality	Project kW Entitlement	Percent Project Ownership and Entitlement
Cuyahoga Falls	7,000	16.67%
Bowling Green	6,608	15.73
Niles	4,463	10.63
Napoleon	3,088	7.35
Jackson	3,000	7.14
Hudson	2,388	5.69
Wadsworth	2,360	5.62
Oberlin	1,270	3.02
New Bremen	1,000	2.38
Bryan	919	2.19
Hubbard	871	2.07
Montpelier	850	2.02
Minster	837	1.99
Columbiana	696	1.66
Wellington	679	1.62
Versailles	460	1.10
Monroeville	427	1.02
Oak Harbor	396	0.94
Lodi	395	0.94
Pemberville	386	0.92
Edgerton	385	0.92

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

ASSETS, LIABILITIES, DEFERRED INFLOW/OUTFLOW OF RESOURCES AND NET POSITION (cont.)

Net Position *(cont.)*

Municipality	Project kW Entitlement	Percent Project Ownership and Entitlement
Arcanum	352	0.84%
Seville	344	0.82
Brewster	333	0.79
Pioneer	321	0.76
Genoa	288	0.69
Jackson Center	281	0.67
Grafton	269	0.64
Elmore	244	0.58
Woodville	209	0.50
Milan	163	0.39
Bradner	145	0.35
Beach City	128	0.30
Prospect	115	0.27
Haskins	56	0.13
Lucas	54	0.13
Arcadia	46	0.11
South Vienna	45	0.11
Waynesfield	35	0.08
Eldorado	35	0.08
Republic	35	0.08
Custar	24	0.06
Totals	42,000	100.00%

REVENUE AND EXPENSES

OMEGA JV5 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 JV5's principal ongoing operations. The principal operating revenues of OMEGA JV5 are charges to participants for sales of electric power. Operating expenses include the cost of generation and transmission, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Operating revenues are recognized when earned as service is delivered. OMEGA JV5’s rates for electric power are designed to cover annual operating costs except depreciation. Debt service is billed separately to the Participants. Rates are set annually by the Board of Participants. Periodically OMEGA JV5 will distribute earnings to its participants based on available operating and rate stabilization cash. These distributions are approved by the Board of Participants. No distributions were made in 2015 or 2014.

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

EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 68, *Financial Reporting for Pension Plans-an amendment of GASB Statement No. 27,* Statement, Statement No. 71*, Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68.* These standards had no impact on OMEGA JV5's financial statements.

NOTE 2 – CASH AND TEMPORARY INVESTMENTS

	Carrying Value as of December 31, 2015	Carrying Value as of December 31, 2014	Risks
Checking/Money Market Funds	$ 5,825,565	$ 5,148,257	Custodial credit
Government Money Market Mutual Fund	143,220	782	Credit, interest rate
Commercial Paper	-	2,000	Credit, interest rate, custodial credit, concentration of credit
Total Cash, Cash Equivalents, and Investments	$ 5,968,785	$ 5,151,039	

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000 for accounts as of December 31, 2015 and 2014.

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 JV5's deposits may not be returned to it. OMEGA JV5 has custodial credit risk on its cash and temporary investments balance to the extent the balance exceeds the federally insured limit. OMEGA JV5's investment policy requires that amounts in excess of FDIC limits be collateralized by government securities. As of December 31, 2015 and 2014, 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 JV5 will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. OMEGA JV5's investment policy does not address this risk.

As of December 31, 2015 and 2014, OMEGA JV5's investments were exposed to custodial credit risk as follows:

	2015		2014	
	Bank Balance	Carrying Value	Bank Balance	Carrying Value
Neither insured nor registered and held by a counterparty	-	-	$ 2,000	$ 2,000

Credit Risk

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations. OMEGA JV5 invests in instruments approved under the entity's investment policy. The Board of Participants has authorized OMEGA JV5 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 at the time of purchase.

As of December 31, 2015, OMEGA JV5's investments were rated as follows:

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

NOTE 2 – CASH AND TEMPORARY INVESTMENTS (cont.)

Credit Risk (cont.)

As of December 31, 2014, OMEGA JV5's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
Government Money Market Mutual Fund	AAAm	Aaa
Commercial Paper	A-1	P-1

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 JV5'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, 2015 and 2014, OMEGA JV5's investment portfolio was concentrated as follows:

		Percentage of Portfolio	
Issuer	Investment Type	2015	2014
Abbey Bank	Commercial Paper	-	50.00%
Credit Suisse	Commercial Paper	-	50.00%

Interest Rate Risk

Interest rate risk is the risk changes in interest rates will adversely affect the fair value of an investment. OMEGA JV5's investment policy limits the maturity of commercial paper and bankers acceptances to 180 days.

As of December 31, 2015, OMEGA JV5 investments were as follows:

Investment	Maturity Date	Weighted Average Maturity (days)	Fair Value
Government Money Market Mutual Fund	n/a	n/a	$ 143,220

NOTE 2 – CASH AND TEMPORARY INVESTMENTS (cont.)

Interest Rate Risk (cont.)

As of December 31, 2014, OMEGA JV5's investments were as follows:

Investment	Maturity Date	Weighted Average Maturity (days)	Fair Value
Abbey Bank	2/17/2015	48	$ 1,000
Credit Suisse Financial	2/17/2015	48	1,000
Government Money Market Mutual Fund	n/a	55	782
			$ 2,782

NOTE 3 – RESTRICTED ASSETS

Restricted assets include those assets comprising the Debt Service Reserve, Certificate Payment Fund, and Reserve and Contingency Funds, which are established and maintained pursuant to the fund agreement for the Certificates. Substantially all assets in the Certificate Payment Fund are available only to meet principal and interest payments on the Certificates. As part of the refunding of the 1993 Certificates in February 2004, the Debt Service Reserve Fund was liquidated. Assets in the Reserve and Contingency Fund are to be used for the following purposes: (i) subject to certain conditions, to remedy deficiencies in bond debt service payments; (ii) to pay for operating expenses to the extent that other operating funds are not sufficient; (iii) to pay for major repairs and maintenance; and (iv) to provide for the decommissioning of the Project.

The Certificates' trust agreement limits permissible restricted investments to those authorized for municipalities by Chapter 135 of the Ohio Revised Code and also permits investments approved in writing by the AMBAC Assurance Corporation ("AMBAC") and MBIA Insurance Corporation ("MBIA"). The trust agreement does not restrict the duration of investments to the limitations imposed by Chapter 135. At December 31, 2015 and 2014, all investments were purchased in the name of the restricted funds' trustee and are held by the trustee. The investments held by the trustee are uninsured and unregistered.

The following calculation supports the amount of restricted Net Position:

	2015	2014
Restricted Assets		
Reserve and contingency fund	3,034,597	3,009,612
Less:		
Current Liabilities Payable From Restricted Assets	-	-
Total Restricted Net Position	$ 3,034,597	$ 3,009,612

NOTE 4 – UTILITY PLANT

Utility plant activity for the years ended December 31 is as follows:

	2015			
	Beginning Balance	Additions	Change in Estimate	Ending Balance
Electric Plant and Equipment	$186,667,035	-	$ (1,318)	$186,665,717
Land	431,881	-	-	431,881
Total Utility Plant in Service	187,098,916	-	(1,318)	187,097,598
Less: Accumulated depreciation	(73,311,721)	(4,705,550)	6,382	(78,010,889)
Utility Plant, Net	$113,787,195	$(4,705,550)	$ 5,064	$109,086,709

	2014			
	Beginning Balance	Additions	Change in Estimate	Ending Balance
Electric Plant and Equipment	$ 186,352,403	-	$ 314,632	$ 186,667,035
Land	431,881	-	-	431,881
Total Utility Plant in Service	186,784,284	-	314,632	187,098,916
Less: Accumulated depreciation	(68,610,656)	(4,701,065)	-	(73,311,721)
Utility Plant, Net	$ 118,173,628	$(4,701,065)	$ 314,632	$113,787,195

NOTE 5 – PREPAID BOND INSURANCE

In connection with the issuance of the 2001 Certificates, OMEGA JV5 paid $407,000 on behalf of the Participants for municipal bond insurance. In consideration for the payment of the premium and subject to the terms of the policy, the insurance company agrees to pay to the State Street Bank and Trust Company of New York, as trustee, or its successor, for benefit of the bondholders, that portion of the principal and interest on the 2001 Certificates that becomes due for payment but remains unpaid by reason of nonpayment by the Participants. This cost is being amortized over the maturities of the 2001 Certificates.

In connection with the issuance of the 2004 Certificates, OMEGA JV5 paid $1,264,718 on behalf of the Participants for municipal bond insurance. In consideration for the payment of the premium and subject to the terms of the policy, the insurance company agrees to pay to the United States Trust Company of New York, as trustee, or its successor, for benefit of the bondholders, that portion of the principal and interest on the 2004 Certificates that becomes due for payment but remains unpaid by reason of nonpayment by the Participants. This cost was being amortized over the maturities of the 2004 Certificates, and was fully amortized by December 31, 2014 as the 2004 Certificates were called on February 15, 2014.

NOTE 5 – PREPAID BOND INSURANCE (cont.)

In connection with the issuance of the 2004 Certificates, OMEGA JV5 paid $325,834 to Ambac Assurance Corporation for the purchase of a financial guaranty insurance policy. In consideration for the payment of the premium and subject to the terms of the policy, Ambac Assurance Corporation agrees to pay to The Bank of New York, as trustee, or its successor, that portion of the principal and interest on the 2004 Certificates, which becomes due for payment, but shall be unpaid, due to nonpayment by OMEGA JV5. This cost was being amortized over the maturities of the 2004 Certificates, and was fully amortized by December 31, 2014 as the 2004 Certificates were called on February 15, 2014.

NOTE 6 – ASSET RETIREMENT OBLIGATIONS

Under the terms of lease agreements, OMEGA JV5 has an obligation to remove electric generators from the leased sites on which the units are located and to perform certain restoration of the sites.

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

	2015			
	Beginning Balance	Accretion Expense	Change in Estimate	Ending Balance
Asset retirement obligation	$ 314,632	$ 7,188	$ (8,506)	$ 313,314

	2014			
	Beginning Balance	Accretion Expense	Change in Estimate	Ending Balance
Asset retirement obligation	$ -	$ 530	$ 314,102	$ 314,632

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 unit. The accretion of the liability and amortization of the property and equipment will be recognized over the estimated useful life of each unit. OMEGA JV5 developed its estimate of its asset retirement obligation based on a legal and technical study performed during 2015.

NOTE 7 – BENEFICIAL INTEREST CERTIFICATES AND NOTE PAYABLE

In February, 2004 OMEGA JV5 issued 2004 Beneficial Interest Refunding Certificates (“2004 Certificates”) totaling $116,910,000 for the purpose of refunding the principal of the outstanding 1993 Beneficial Interest Certificates (“1993 Certificates”) due in the years 2005 through 2024. The 2004 Certificates were sold at a premium of $7,674,145.

OMEGA JV5 paid a redemption premium of $1,313,550 to redeem the 1993 Certificates. The difference between the reacquisition price of $132,668,550 and the net carrying amount of the 1993 Certificates, including unamortized discount and issuance costs, of $126,112,000.

NOTE 7 – BENEFICIAL INTEREST CERTIFICATES AND NOTE PAYABLE (cont.)

OMEGA JV5 refunded the 1993 Certificates to reduce the total debt service payments through 2024 by approximately $24,000,000 and to obtain an economic gain (difference between the present value of the debt service payments on the 1993 Certificates and the 2004 Certificates) of $18,593,150.

On February 15, 2014, all of the 2004 Certificates were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a note issued to AMP by OMEGA JV5. The resulting promissory note amount outstanding was $49,803,187 and $57,679,473 as of December 31, 2015 and December 31, 2014, respectively.

Subsequent to year end, on January 19, 2016, OMEGA JV5 issued the Beneficial Interest Refunding Certificates, Series 2016 (the “2016 Certificates”) in the amount of $49,745,000 for the purpose of refunding the promissory note to AMP in full. The outstanding amount on the promissory note had been reduced to $49,243,377 at the time of refunding.

The 2001 Beneficial Interest Certificates (the “2001 Certificates”) outstanding at December 31, 2015 are as follows:

Maturity Date February 15,	Maturity Amount	Yield to Maturity
2025	$ 10,915,000	5.51%
2026	10,915,000	5.52
2027	10,915,000	5.53
2028	10,915,000	5.54
2029	10,465,000	5.55
2030	2,000,000	5.56
Sub-Total	56,125,000	
Less: Unamortized discount	(25,587,812)	
Total	$ 30,537,188	

The interest component of the 2001 Certificates will accrete from the date of issuance, compounded semiannually on February 15 and August 15 of each year, commencing February 2002, with the original discount amount of $42,225,017, and will be payable at maturity as a component of the maturity. The 2001 Certificates are not subject to redemption prior to maturity.

Except for the limited step-up provisions in the event of default by a Participant as described in Section 18 of the Joint Venture Agreement, the 2004 Certificates and the 2001 Certificates are payable solely from bond debt service payments to be made by the OMEGA JV5 Participants pursuant to an agreement dated as of January 1, 1993. The bond debt service payments are obligations of the OMEGA JV5 Participants, payable from the revenues of their municipal electric systems, subject only to the prior payment of the operation and maintenance expenses thereof. For accounting purposes, the obligation for repayment of the Certificates is reflected in the financial statements of OMEGA JV5.

The terms of the trust agreement related to the Certificates contain various covenants, the most restrictive of which require the timely payment of debt service and for the Participants of OMEGA JV5 to comply with the provisions of the Joint Venture Agreement.

NOTE 7 – BENEFICIAL INTEREST CERTIFICATES AND NOTE PAYABLE (cont.)

Under the Joint Venture Agreement, the Participants must manage electric system revenues and expenditures so that, in each year, those revenues received in that year cover the greater of (i) operating and maintenance ("O&M") expenses plus 110% of its OMEGA JV5 bond debt service payments and any other senior electric revenue debt, or (ii) O&M expenses plus 100% of its OMEGA JV5 bond debt service payments and all other electric system debt whether revenue or general obligation ("debt service coverage ratio").

Based upon unaudited financial information for the years ended December 31, 2015 and 2014, one and two participants, respectively, were not able to certify compliance with the debt service coverage ratio requirement of the Joint Venture Agreement.

Annual debt service requirements for the next five years and cumulative requirements thereafter for the 2001 Certificates and note payable at December 31, 2015 are as follows:

	Principal	Interest	Totals
2016	$ 49,803,187	$ 52,651	$ 49,855,838
2017 – 2020	-	-	-
2021 – 2025	10,915,000	-	10,915,000
2026 – 2030	45,210,000	-	45,210,000
Totals	$ 105,928,187	$ 52,651	$ 105,980,838

The fair value of the Certificates was estimated by using quoted market prices and is as follows:

	December 31, 2015		December 31, 2014	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Long-term debt, including current maturities:				
2001 Certificates	$ 30,537,188	$ 39,330,469	$ 28,916,056	$ 37,446,648

NOTE 7 – BENEFICIAL INTEREST CERTIFICATES AND NOTE PAYABLE (cont.)

Long-term liability activity for the years ended December 31 is as follows:

	2015			
	Beginning Balance	Additions	Reductions	Ending Balance
2001 certificates	$ 56,125,000	$ -	$ -	$ 56,125,000
Less: Unamortized discount	(27,208,944)	-	1,621,132	(25,587,812)
	28,916,056	-	1,621,132	30,537,188
Note payable	57,679,473	-	(7,876,286)	49,803,187
Less: Current maturities	(7,758,583)	(42,044,604)	-	(49,803,187)
	49,920,890	(42,044,604)	(7,876,286)	-
Asset retirement obligation	314,632	-	(1,318)	313,314
Accrued license fees	740,266	-	(638,594)	101,672
Totals	$ 79,891,844	$ (42,044,604)	$ (6,895,066)	$ 30,952,174

	2014			
	Beginning Balance	Additions	Reductions	Ending Balance
2001 certificates	$ 56,125,000	$ -	$ -	$ 56,125,000
Less: Unamortized discount	(28,743,987)	-	1,535,043	(27,208,944)
	27,381,013	-	1,535,043	28,916,056
2004 certificates	76,345,000	-	(76,345,000)	-
Less: Current maturities	(5,355,000)	-	5,355,000	-
Unamortized premium	1,877,341	-	(1,877,341)	-
	72,867,341	-	(72,867,341)	-
Note payable	-	65,891,509	(8,212,036)	57,679,473
Less: Current maturities	-	(7,758,583)	-	(7,758,583)
	-	58,132,926	(8,212,036)	49,920,890
Asset retirement obligation	-	314,632	-	314,632
Accrued license fees	92,118	648,148	-	740,266
Totals	$ 100,340,472	$ 59,095,706	$ (79,544,334)	$ 79,891,844

NOTE 7 – BENEFICIAL INTEREST CERTIFICATES AND NOTE PAYABLE (cont.)

Deferred inflow of resources at December 31 is as follows:

	2015	2014
Debt service billed to Participants for Certificates in excess of related expenses	$ 31,807,600	$ 30,207,171
Debt service billed to Participants for funding the Reserve and Contingency Fund and accumulated interest	2,790,481	1,428,658
Inventories billed to Participants	367,006	367,006
Total Deferred Inflow of Resources	$ 34,965,087	$ 32,002,835

NOTE 8 – NET POSITION

GASB No. 63 requires the classification of net position into three components –net position invested 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 net investment in capital assets. 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 - The component consists of the portion of net position that does not meet the definition of "restricted" or "net investment in capital assets." When both restricted and unrestricted resources are available for use, it is OMEGA JV5's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 8 – NET POSITION (cont.)

The following calculation supports the net investment in capital assets:

	2015	2014
Plant assets	$ 186,665,717	$ 186,667,035
Land	431,881	431,881
Accumulated depreciation	(78,010,889)	(73,311,721)
Sub-Totals	109,086,709	113,787,195
Related debt:		
2001 beneficial interest certificates	56,125,000	56,125,000
Unamortized discount – 2001 Beneficial interest certificates	(25,587,812)	(27,208,944)
Note payable	49,803,187	57,679,473
Sub-Totals	80,340,375	86,595,529
Total Net Investment In Capital Assets	$ 28,746,334	$ 27,191,666

NOTE 9 – COMMITMENTS AND CONTINGENCIES

ENVIRONMENTAL MATTERS

OMEGA JV5 is subject to regulation by federal, state and local authorities related to Environmental and other matters. Changes in regulations could adversely affect operations and operating costs of OMEGA JV5.

On February 17, 2010, the US EPA promulgated the RICE NESHAP Rule establishing emission limits and work practice standards for compression ignited diesel engines at area sources. The OMEGA JV5 engines are affected by this rule and were in compliance by May 2013.

Many metropolitan and industrialized counties in Ohio have become non-attainment areas under the new ozone and fine particulate matter ambient air quality standards. This may require substantial local reductions of nitrogen oxides, volatile organic compounds, sulfur dioxide, and particulate matter. In addition to emissions reductions required to achieve compliance in down-wind, neighboring states. Medina (Wadsworth) County is a non-attainment area for fine particulate matter; therefore, the Ohio Environmental Protection Agency may restrict the hours of operations or require additional pollution control equipment for the OMEGA JV5 backup generation facilities in this area.

OTHER COMMITMENTS

OMEGA JV5 has agreed to make certain payments in lieu of taxes to Wood County, West Virginia. The payments in lieu of taxes will be approximately $840,000 annually until the later of September 1, 2028 or until such time as the Project ceases commercial operations.

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NOTE 10 – RISK MANAGEMENT

OMEGA JV5 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 were no significant reductions in coverage in 2015.

NOTE 11 – RELATED PARTY TRANSACTIONS

OMEGA JV5 has entered into the following agreements:

- Pursuant to the Agreement, AMP was designated as an agent and provides various management and operational services. The cost of these services for the years ended December 31, 2015 and 2014 was $158,800 and $396,110, respectively. OMEGA JV5's payables to AMP as of December 31, 2015 and 2014 were $53,725 and $23,357, respectively.

- As OMEGA JV5's agent, AMP purchases power and fuel on behalf of OMEGA JV5. Power and fuel purchases for the years ended December 31, 2015 and 2014 amounted to $3,036,450 and $4,487,086, respectively. OMEGA JV5's receivable from AMP as of December 31, 2015 was $25,412 and $577,318 receivable at December 31, 2014.

- As OMEGA JV5'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 expense related to these services was $2,031,158 and $1,112,410 for the years ended December 31, 2015 and 2014, respectively. OMEGA JV5 had payables to MESA of $115,611 and $115,200 at December 31, 2015 and 2014, respectively.

- During the year, Ohio Municipal Electric Generation Agency Joint Venture 4 ("OMEGA JV4"), a related joint venture, provided certain services for OMEGA JV5. OMEGA JV5 had payables to OMEGA JV4 of $275,023 and $0 as of December 31, 2015 and 2014, respectively.

- OMEGA JV5 sold capacity from back-up generating units to AMP's Northwest Area Service Group, Northeast Area Service Group and Jackson, Ohio. This revenue was approximately $70,200 and $79,200 for the years ended December 31, 2015 and 2014.

- Participants with backup generating units sited in their communities provide utilities to the Units. OMEGA JV5 incurred expenses of $195,180 and $215,126 for these services for the years ended December 31, 2015 and 2014, respectively.

NOTE 12 – SUBSEQUENT EVENTS

On January 29, 2016, OMEGA JV5 issued the 2016 Certificates in the amount of $49,745,000 for the purpose of refunding the promissory note to AMP in full. The outstanding amount on the promissory note had been reduced to $49,243,377 at the time of refunding.

NOTE 12 – SUBSEQUENT EVENTS (cont.)

Principal and interest on the 2016 Certificates are payable in monthly installments payable on the first business day of the month thereafter until the final maturity date of February 1, 2021. The 2016 Certificates bear interest at a variable rate, which is 70% of LIBOR plus a 59 basis point spread, and resets on a monthly basis.

Annual debt service requirements for the 2016 Certificates beginning March 1, 2016 are as follows:

Maturity Date	Maturity Amount
2016	$ 4,885,000
2017	5,960,000
2018	6,050,000
2019	6,150,000
2020	6,250,000
2021	20,450,000
Total	$ 49,745,000

On March 18, 2016, OMEGA JV5 entered into a five year interest rate swap agreement effective April 1, 2016 (the “Swap”) between U.S. Bank National Association, the counterparty to the Swap (the “Swap Provider”), related to the 2016 Certificates. Under this agreement, OMEGA JV5 will make payments based upon the fixed rate of 0.8585% per annum and in exchange the Swap Provider will make payments based upon a floating rate equal to 70% of the USD-LIBOR-BBA Index with a designated maturity of 30 days through the termination date of the Swap, which is February 15, 2021. The notional amount of the Swap is based on a schedule that amortizes to an amount approximately half of the balance outstanding on the 2016 Certificates.

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*

INDEPENDENT AUDITORS' REPORT

To the Board of Participants
Ohio Municipal Electric Generation Agency Joint Venture 5:

We have audited, in accordance with the 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, the financial statements of Ohio Municipal Electric Generation Agency Joint Venture 5 ("OMEGA JV5"), which comprise the statement of net position as of December 31, 2015, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 20, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered OMEGA JV5's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of OMEGA JV5's internal control. Accordingly, we do not express an opinion on the effectiveness of OMEGA JV5's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the OMEGA JV5'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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
April 20, 2016