

From: Center for Audit Excellence
To: All IPA Firms
Subject: AMP Ohio OMEGA Joint Ventures
Date: July 16, 2013

Ohio Governments that are members of the AMP Ohio - Ohio Municipal Electric Generation Agency (OMEGA) Joint Ventures (JVs) and have a liability related to the debt issued for the JVs are required to report segment information in the notes to the financial statements in accordance with the requirements of GASB Cod. Section 2500, unless the Electric Activity is reported in the financial statements as a major fund or combining statements are presented as supplementary information and the Independent Auditor's Report includes an "in-relation-to" opinion on the combining statements.

This requirement also impacts those governments (mainly Villages) who report using the AOS (Regulatory) basis. If a Village reports the Electric Fund within a combined enterprise fund type with other enterprise activities (i.e. water, sewer), the segment information note disclosure is required. The segment information note disclosure is not required when the Electric Fund is the only enterprise fund.

The "Word" file attached to the email is an example Note disclosure that is appropriate for AOS (Regulatory) basis reports. This example disclosure is **not** appropriate for GAAP financial presentations since there are additional requirements for assets, liabilities and net position. The example note includes embedded Excel spreadsheets and guidance on how the information should be included.

Failure to include this information requires an opinion modification.

Also attached to the email is a worksheet that can be used to test the revenue coverage requirements for the OMEGA JV2 and JV5 members. We plan to update the Village Report shell and include the attached revenue coverage worksheet in the Audit Employees Briefcase and under IPA Resources on the AOS website. Until then, these files should be used in the completion of your current audits.