

Virtual Conference
Board of Directors and Executive Committee Meeting
Public Alliance for Community Energy
In-Person Meeting Site: 8377 Glynoaks Dr, Lincoln, NE
March 18, 2025 - 2:00 p.m. (CT)

A G E N D A

All agenda items are for discussion and action will be taken as deemed appropriate.

1. Call to Order
 - A. Section 84-1412 (8) – Nebraska Open Meetings Act
 - B. Roll Call
 - C. Public Comment
2. Introduction and Welcome
 - A. Introductory Remarks
 - B. Welcome New ACE Community Representatives
3. Consent Agenda
 - A. Minutes of the January 22, 2025, Board of Directors Meeting
 - B. Next Meeting – May 21, 2025
 - C. Financial Report
 - I. Forvis Mazars Pre-Audit Communication Letter
 - D. Consent Resolution
4. Reports
 - A. Director of Gas Operations
 - B. Retail Gas Services Coordinator
5. Legislative Update
6. Contracts and General Counsel Report
7. Items for Future Agenda
8. Adjournment

CONSENT AGENDA

Date:	March 18, 2025
Initiator/Staff information source:	Vice Chairperson Tarr
Action Proposed:	<u>Approval</u>

Minutes of the January 22, 2025, Board of Directors meeting were previously distributed to Board Members and are included as Attachment A.

The next meeting of the ACE Board of Directors is set for Wednesday, May 21, 2025, at the Younes Conference Center South, Kearney, Nebraska.

ACE financials for January and February 2025 were previously distributed. Jamie Johnson, Director of Finance and Accounting, will review the January 2025 financials for the NMPP Energy organizations and February 2025 financials for ACE in more detail at the meeting (see Attachment B).

A copy of the Pre-Audit Communication Letter from Forvis Mazars is included as Attachment C, which provides an overview of the upcoming audit process. Johnson will review this letter with the Board of Directors at the meeting.

CONSENT AGENDA (Continued)

Date:	March 18, 2025
Initiator/Staff information source:	Vice Chairperson Tarr
Action Proposed:	Approval

Consent Resolution

WHEREAS, certain business of the Board of Directors of the Public Alliance for Community Energy transpires on a regular and routine basis or is not of a controversial nature; and

WHEREAS, roll call votes on each individual issue greatly extend the meeting time.

NOW THEREFORE, BE IT RESOLVED BY the Board of Directors of the Public Alliance for Community Energy that in the interest of economizing time yet complying with the Open Meetings Act of the State of Nebraska, which requires roll call voting, the following issues are hereby consolidated in this Consent Resolution:

- 1. BE IT FURTHER RESOLVED BY the Board of Directors of the Public Alliance for Community Energy that the minutes of the January 22, 2025, Board of Directors meeting are hereby approved as presented; and*
- 2. BE IT FURTHER RESOLVED BY the Board of Directors of the Public Alliance for Community Energy that the next regularly scheduled meeting will be Wednesday, May 21, 2025, at the Younes Conference Center South, Kearney, Nebraska; and*
- 3. BE IT FURTHER RESOLVED BY the Board of Directors of the Public Alliance for Community Energy that the financial statements for January and February 2025 are hereby reviewed and accepted; and*
- 4. BE IT FURTHER RESOLVED BY the Board of Directors of the Public Alliance for Community Energy that the pre-audit communication letter is hereby accepted.*

DIRECTOR OF GAS OPERATIONS

Date:	March 18, 2025
Initiator/Staff information source:	Beth Ackland
Action Proposed:	<u>Informational</u>

Beth Ackland, Director of Gas Operations, will provide updates on various work activities since the last meeting and a preview of the 2025-26 Choice Gas Program.

RETAIL GAS SERVICES COORDINATOR

Date:	March 18, 2025
Initiator/Staff information source:	Mandy Heermann
Action Proposed:	<u>Informational</u>

Mandy Heermann, Retail Gas Services Coordinator, will update members on the various activities the ACE team has been working on since the last Board meeting.

LEGISLATIVE REPORT

Date:	March 18, 2025
Initiator/Staff information source:	Kara Hunt
Action Proposed:	Informational

Kara Hunt, Government Affairs and Project Manager, will provide an update on legislative advocacy.

CONTRACTS AND GENERAL COUNSEL REPORT

Date:	March 18, 2025
Initiator/Staff information source:	Michelle Lepin
Action Proposed:	Informational

Contracts Report:

Other Party	Agreement Name	Effective Date	Termination Date
Forvis Mazars, LLP	Engagement Letter for Audit 2025	January 13, 2025	Terminates upon completion and payment
NPPD	Acknowledgement Declining Future Distributions	1/20/2025	NPPD may withdraw the Election upon written notice
Interactive Information Research and Development, L.L.C. (i2rd) d/b/a Proteus, Inc.	Work Order for 2025 TheRMS Updates to Maintenance Agreement for the ACE TheRMS Application (2025)	2/12/2025	All approved work will be completed by April 1, 2025
Interactive Information Research and Development, L.L.C. (i2rd) d/b/a Proteus, Inc.	Software Maintenance Agreement for ACE Therms Application (2025-2026)	4/1/2025	3/31/2026

Legal and Regulatory Report:

The General Counsel will provide a report at the March 18, 2025, meeting.

Unapproved Minutes
 Board of Directors Annual Meeting
 Executive Committee Meeting
 Public Alliance for Community Energy
 Younes Conference Center South
 416 W Talmadge St, Kearney, NE 68845
 January 22, 2025 - 10:00 a.m. (CT)

The Board of Directors of the Public Alliance for Community Energy (ACE) met on Wednesday, January 22, 2025, at the Younes Conference Center South, 416 W Talmadge St, Kearney, Nebraska, 68845. Notice of the meeting was given to the Board of Directors and Executive Committee by email. The public was advised by publication in print and online in the *Lincoln Journal Star* newspaper and website on January 2, 2025, and on the NMPP Energy website. The notice and agenda were posted upon issuance at the NMPP Energy office, 8377 Glynoaks Drive, Lincoln, Nebraska, and kept continually current and available for public inspection. All documents being considered at the meeting and the current version of the Nebraska Open Meetings Act were made available on NMPP Energy’s Public Meeting Information website.

CALL TO ORDER

Jeremy Tarr, Vice Chairperson, called the meeting to order at 10:00 a.m. (CT). Tarr announced that pursuant to Section 84-1412(8) of the Nebraska Open Meetings Act, a current copy of the Open Meetings Act was posted in the meeting room.

ROLL CALL – Board of Directors

Quorum was declared with 20 of the 76 Members present. As there was quorum for the Board of Directors, a meeting of the Executive Committee was not called.

Quorum = 19 Directors

1. Alliance – Kirby Bridge	13. McCook – Gene Weedin
2. Arapahoe – Dixie Sickels	14. Minden – Michael Krings
3. Bridgeport – Mark Wickard	15. Morrill – Janine Schmidt
4. Burwell – Jeff Pohl	16. NPPD – Grant Flamig
5. Cairo – Jaime Rathman	17. Ogallala – Kevin Wilkins (Arrived after roll call)
6. Chappell – Todd Rust	18. Ord – Jeramie VanLeer
7. Curtis – Andrew Lee (Arrived after roll call)	19. Oshkosh – Kim Martin
8. Franklin – Raquel Felzien	20. Oxford – Duane Hoffman
9. Gothenburg – Gary Greer (Arrived after roll call)	21. Plainview – Robert Smith
10. Holdrege – Chris Rector	22. Ravenna – Kellie Crowell
11. Lewellen – Joy Trim	23. Saint Paul – Mike Feeken
12. Loup City – AJ Reimers (Arrived after roll call)	24. Sidney – Mike Palmer

Absent: Ainsworth, Albion, Ansley, Atkinson, Bartley, Bassett, Bayard, Beaver City, Benedict, Benkelman, Bertrand, Blue Hill, Brady, Broken Bow, Cambridge, Chadron, Clay Center, Cozad, Creighton, Dalton, Edgar, Edison, Gering, Gibbon, Gordon, Gurley, Hartington, Hemingford, Henderson, Holbrook, Indianola, Kimball, Laurel, Long Pine, Loomis, Lyman, Mitchell, Neligh, Orleans, Osmond, Paxton, Potter, Red Cloud, Rushville, Sargent, Scottsbluff, Shelton, Spalding, Stamford, Terrytown, Wausa, and Wood River

PUBLIC COMMENT

Tarr asked if there were members of the public in attendance who would like to make agenda comments. There were no public comments.

INTRODUCTION AND WELCOME

Tarr announced the new representatives to the board and thanked all for being in attendance.

CONSENT AGENDA

Minutes

Minutes of the May 15, 2024, Board of Directors meeting were previously distributed to Board Members and were included as Attachment A.

Minutes of the November 13, 2024, Executive Committee meeting were previously distributed to Board Members and were included as Attachment B.

Next Meeting

The next meeting of the ACE Board of Directors is set for Tuesday, March 18, 2025, at the NMPP Energy offices, Lincoln, Nebraska.

Financial Report

Jamie Johnson, Director of Finance and Accounting, reviewed November 2024 financials for the NMPP Energy organizations and December 2024 financials for ACE, previously distributed as Attachment C.

CONSENT RESOLUTION

Motion: Mike Palmer, Sidney, moved to approve the following Resolution. Chris Rector, Holdrege, seconded the motion, which carried unanimously on a roll call vote. (Andrew Lee, AJ Reimers, and Kevin Wilkins did not vote).

Consent Resolution

WHEREAS, certain business of the Board of Directors of the Public Alliance for Community Energy transpires on a regular and routine basis or is not of a controversial nature; and

WHEREAS, roll call votes on each individual issue greatly extend the meeting time.

NOW THEREFORE, BE IT RESOLVED BY the Board of Directors of the Public Alliance for Community Energy that in the interest of economizing time yet complying with the Open Meetings Act of the State of Nebraska, which requires roll call voting, the following issues are hereby consolidated in this Consent Resolution:

- 1. BE IT FURTHER RESOLVED BY the Board of Directors of the Public Alliance for Community Energy that the minutes of the May 15, 2024, Board of Directors meeting are hereby approved as presented; and*

2. *BE IT FURTHER RESOLVED BY the Board of Directors of the Public Alliance for Community Energy that the minutes of the November 13, 2024, Executive Committee meeting are hereby approved as presented; and*
3. *BE IT FURTHER RESOLVED BY the Board of Directors of the Public Alliance for Community Energy that the next regularly scheduled meeting will be on Tuesday, March 18, 2025, at the NMPP Energy offices, Lincoln, Nebraska; and*
4. *BE IT FURTHER RESOLVED BY the Board of Directors of the Public Alliance for Community Energy that the financial statements for April, May, June, July, August, September, October, November, and December 2024 are hereby reviewed and accepted.*

DIRECTOR OF GAS OPERATIONS REPORT AND RETAIL GAS SERVICES COORDINATOR REPORT

Beth Ackland, Director of Gas Operations, updated the Board on the upcoming Choice Gas selection period, which is April 3-23, 2025, and natural gas indicative rates.

Closed Session

Motion: Mike Feeken, Saint Paul, moved to go into closed session for the protection of the public interest to discuss proprietary and competitive information relating to ACE marketing and pricing. ACE reps, alt reps, any ACE Member community employee or elected official, as well as any NMPP Staff member may participate in the closed session. Gene Weedon, McCook, seconded the motion, which carried unanimously on a roll call vote.

Tarr restated on record that the limitation of the subject matter of the discussion was proprietary and competitive information relating to ACE marketing and pricing.

The board went into closed session at 10:16 a.m.

Tarr asked for any objections to return to open session, hearing none, the meeting reconvened in open session at 10:42 a.m. There was no action taken during or as a result of the closed session.

IDENTITY THEFT PREVENTION PROGRAM

Sarah Jones, Director of Corporate Services, reported that, following a review of the Federal Trade Commission (FTC) Red Flags Rule by NMPP's legal department, it was determined ACE is not required to maintain a formalized and documented Identity Theft Prevention Program. Accordingly, the Program was discontinued.

BUDGET FOR FISCAL YEAR 2025-2026

Johnson discussed ACE's proposed Budget for Fiscal Year 2025-2026. A detailed analysis of the budget including narrative discussion was included in the meeting packet as Attachment D.

Motion: Mark Wickard, Bridgeport, moved to approve the following Resolution. Kellie Crowell, Ravenna, seconded the motion, which carried unanimously on roll call vote. (Robert Smith, Plainview, did not vote).

BUDGET RESOLUTION

WHEREAS, the ACE Board of Directors is authorized to annually prepare, establish, adopt and maintain a budget of revenues and expenditures; and,

WHEREAS, the proposed budget for Fiscal Year Ending March 31, 2026, has been reviewed by the ACE Board of Directors.

NOW, THEREFORE, BE IT RESOLVED BY the ACE Board of Directors that the budget for Fiscal Year 2025-2026, as presented, is hereby approved and made a part of the official minutes folder.

POLICIES AND GUIDELINES MODIFICATIONS

Johnson discussed potential modifications to the ACE Policies and Guidelines. A redline was included as Attachment E.

Modifications to Section 12: Member Distribution were discussed to strengthen elements of the policy related to choosing ACE as supplier for Members' municipally owned natural gas accounts.

Staff recommended eliminating Section 18, which refers to the Identity Theft Prevention Program, because the Program has been discontinued as reported earlier in the meeting.

Discussion ensued.

Motion: Mike Palmer, Sidney, moved to approve the following resolution. Chris Rector, Holdrege, seconded the motion, which carried unanimously on a roll call vote. (Robert Smith, Plainview, did not vote).

ACE BOARD OF DIRECTORS RESOLUTION

BE IT RESOLVED BY the ACE Board of Directors that the Board of Directors hereby approves the modifications to the Policies and Guidelines as presented in Attachment E, noting percentages approved by the Board of Directors in Section 12: are 5% to all Members and 90% to Qualifying Members.

MEMBER DISTRIBUTION

Johnson reported the Board has the discretion to approve a member distribution. A member distribution policy is included in ACE's Policies and Guidelines. Distribution amount illustrations were provided to assist the Board when considering a member distribution. The member distribution will be paid February 2025. The member distribution policy was included within the meeting packet.

Discussion ensued.

Motion: Gary Greer, Gothenburg, moved to approve the following Resolution. Michael Krings, Minden, seconded the motion, which carried 21-2-0 on a roll call vote. (Joy Trim, Lewellen, did not vote).

Ayes: Kirby Bridge, Alliance; Dixie Sickels, Arapahoe; Jeff Pohl, Burwell; Jaime Rathman, Cairo; Todd Rust, Chappell; Andrew Lee, Curtis; Raquel Felzien, Franklin; Gary Greer, Gothenburg; AJ Reimers, Loup City; Gene Weedon, McCook; Michael Krings, Minden; Janine

Schmidt, Morrill; Grant Flamig, NPPD; Kevin Wilkins, Ogallala; Jeramie VanLeer, Ord; Kim Martin, Oshkosh; Duane Hoffman, Oxford; Robert Smith, Plainview; Kellie Crowell, Ravenna; Mike Feeken, Saint Paul; Mike Palmer, Sidney.

Nays: Mark Wichard, Bridgeport; Chris Rector, Holdrege

Abstain: 0

MEMBER DISTRIBUTION RESOLUTION

WHEREAS, the Public Alliance for Community Energy has adopted a Member Distribution policy as noted in the Public Alliance for Community Energy Policies and Guidelines, and

WHEREAS, the policy includes consideration of a Member Distribution consisting of a member attendance incentive of \$300 for each Board meeting attended in-person by the Member's representative/alternate representative and \$100 for each Board meeting attended virtually by the Member's representative/alternate representative, as long as the Member's representative or alternate representative counted toward meeting quorum, rolling distribution to distribution; and

WHEREAS, the policy includes consideration of a Member Distribution consisting of a marketing incentive of \$1,000 per Member for completion of a qualifying Choice Gas year marketing activity, as determined by ACE staff, rolling distribution to distribution; and

WHEREAS, the policy includes consideration of an additional Member Distribution of an amount to be determined by the Board to be allocated based on volumes for the rolling last three calendar years and Founding Members contributions, subject to the Qualification as noted in the Member Distribution policy.

NOW THEREFORE, BE IT RESOLVED THAT the Board of Directors of the Public Alliance for Community Energy approve the distribution and allocation of funds to its membership consisting first of the total amount applicable under the member attendance incentive for all Board meetings attended and the total amount applicable under the marketing incentive for qualifying activity between January 18, 2024, and January 22, 2025, and then the additional amount to reach the total of \$400,000.

ELECTION OF OFFICERS

The following nominations were received by email for Chairperson, Vice Chairperson, and Secretary-Treasurer on the ACE Board of Directors for Fiscal Year 2025-2026: Chairperson – Andrew Devine, Albion; Vice Chairperson – Jeremy Tarr, Plainview; Secretary-Treasurer – Mike Palmer, Sidney.

Michelle Lepin, General Counsel, opened the floor for additional nominations for the offices of Chairperson, Vice Chairperson, and Secretary-Treasurer. There were no additional nominations.

Motion: Michael Krings, Minden, moved to cease nominations and vote via voice acclamation for the slate as nominated: Andrew Devine as Chairperson, Jeremy Tarr as Vice Chairperson, and Mike Palmer as Secretary-Treasurer. Mark Wickard, Bridgeport, seconded the motion which carried unanimously via voice acclamation.

ELECTION OF AT-LARGE REPRESENTATIVES TO THE ACE EXECUTIVE COMMITTEE

Pursuant to the Amended and Restated Bylaws of ACE, the Board of Directors may create an Executive Committee composed of Directors from at least ten percent of the membership, but shall be composed of no less than five Directors. The Executive Committee shall include the Chairperson, Vice Chairperson, and Secretary-Treasurer of ACE. The following nominations were received for the at-large positions on the ACE Executive Committee for Fiscal Year 2025-2026:

1. Kellie Crowell, Ravenna
2. Raquel Felzien, Franklin
3. Duane Hoffman, Oxford
4. Chris Rector, Holdrege
5. Janine Schmidt, Morrill
6. Andrew Lee, Curtis

Lepin opened the floor for additional nominations for the five At-Large Representatives to the Executive Committee. There were no additional nominations.

Motion: Andrew Lee, Curtis, moved that nominations cease and a secret ballot be cast for the At-Large Representatives to the ACE Executive Committee. Kevin Wilkins, Ogallala, seconded the motion.

Results of the secret ballot vote for At-Large Representative to the Executive Committee:

- | | |
|-----------------------------|----|
| 1. Kellie Crowell, Ravenna | 23 |
| 2. Raquel Felzien, Franklin | 23 |
| 3. Duane Hoffman, Oxford | 21 |
| 4. Chris Rector, Holdrege | 22 |
| 5. Janine Schmidt, Morrill | 15 |
| 6. Andrew Lee, Curtis | 16 |

The following directors were elected, via secret ballot, to serve as the At-Large Representatives to the ACE Executive Committee for Fiscal Year 2025-2026:

1. Kellie Crowell, Ravenna
2. Raquel Felzien, Franklin
3. Duane Hoffman, Oxford
4. Chris Rector, Holdrege
5. Andrew Lee, Curtis

ELECTION OF AT-LARGE REPRESENTATIVE TO THE JOINT OPERATING COMMITTEE

The following nomination by email was received for At-Large Representative to the Joint Operating Committee for Fiscal Year 2025-2026:

- Duane Hoffman, Oxford

Lepin opened the floor for additional nominations for At-Large Representative to the Joint Operating Committee. There were no additional nominations.

Motion: Mike Palmer, Sidney, moved to cease nominations and vote via voice acclamation for the nominee, Duane Hoffman, as At-Large Representative to the Joint Operating Committee. Gene Weedon, McCook, seconded the motion which carried unanimously via voice acclamation.

LEGISLATIVE REPORT

Dave Russell, Director of Government Affairs and Digital Solutions, provided an update on the 2025 Nebraska Legislative session and initiatives of note.

CONTRACTS AND GENERAL COUNSEL REPORT

There were no contracts to report.

General Counsel Report:

Lepin summarized changes to the Nebraska Open Meetings Act that went into effect January 1, 2025.

ITEMS FOR FUTURE AGENDA

Bob Poehling, Executive Director, informed the Board of the upcoming NMPP Energy Annual Conference and its scheduled speakers.

Tarr reminded Directors to forward any additional agenda items to ACE staff so they may be included on the next meeting agenda.

ADJOURNMENT

There being no further business, the meeting adjourned at 11:42 a.m.

Recorded by:
Laurie Keiser, Administrative Assistant

Submitted by:
Jeremy Tarr, Vice Chairperson
ACE Board of Directors

NMPP Energy
Balance Sheets
January 2025

	NMPP	MEAN	NPGA	ACE
Assets and Deferred Outflows of Resources				
Cash and cash equivalents	\$ 429,370	\$ 29,495,096	\$ 2,570,581	\$ 1,612,025
Investments (Short-term, Long-term & Restricted)	25,000	38,409,930	-	2,403,696
Accounts receivable	885,847	21,360,112	2,715,469	118,342
Gas in storage	-	-	834,311	-
Prepaid expenses and other	(11,615)	404,380	-	4,988
Productive capacity & lease assets, net & related operating assets	-	115,637,040	-	-
Capital and subscription assets, net	-	6,023,572	-	9,179
Costs recoverable from future billings	-	38,947,898	-	-
Deferred loss on refunding	-	4,496,382	-	-
Deferred costs for asset retirement obligation	-	436,130	-	-
Deferred outflows from derivative instruments	-	-	487,000	-
Total assets & deferred outflows of resources	\$ 1,328,602	\$ 255,210,540	\$ 6,607,361	\$ 4,148,230
Liabilities and Deferred Inflows of Resources				
Accounts payable and accrued expenses	\$ 671,997	\$ 10,478,311	\$ 1,796,480	\$ 45,270
Storage deposits	-	-	1,260,000	-
Unearned revenue	29,850	-	-	-
Distributions payable	-	-	-	400,000
Lease & subscription liabilities, net long-term debt, & interest payable	-	149,529,360	-	-
Asset retirement obligation	-	436,130	-	-
Deferred inflow - deferred revenue - rate stabilization	-	26,766,670	-	-
Deferred inflow - deferred gain on refunding	-	2,245,320	-	-
Fair value of derivative investments	-	-	487,000	-
Total liabilities and deferred inflows of resources	701,847	189,455,791	3,543,480	445,270
Net Assets/Net Position	626,755	65,754,749	3,063,881	3,702,960
Total liabilities, deferred inflows & net position	\$ 1,328,602	\$ 255,210,540	\$ 6,607,361	\$ 4,148,230

NMPP Energy

Statements of Revenues and Expenses
For the Fiscal Year to Date: April 2024 - January 2025

	NMPP*	MEAN	NPGA	ACE
Operating Revenues	\$ 15,083	\$ 113,376,791	\$ 6,342,778	\$ 875,000
Operating Expenses				
Commodity costs (electric energy & gas)	-	88,918,617	5,866,083	-
Administrative and general	26,317	9,926,790	452,591	546,060
Depreciation and amortization	-	6,864,960	-	4,978
Total operating expenses	26,317	105,710,367	6,318,674	551,038
Operating Income (Loss)	(11,234)	7,666,424	24,104	323,962
Nonoperating Revenues (Expenses)				
Net costs to be recovered in future periods	-	(1,371,910)	-	-
Investment return	15,470	2,369,057	78,797	156,806
Interest expense	-	(3,149,359)	-	-
Distribution to members	-	-	-	(400,000)
Net Revenue (Loss)	\$ 4,236	\$ 5,514,212	\$ 102,901	\$ 80,768
Budgeted Net Revenue (Loss)	11,471	882,317	16,856	416,069
+/- Variance to Budget	\$ (7,235)	\$ 4,631,895	\$ 86,045	\$ (335,301)
Fiscal Year Budgeted Net Revenue (Loss)	\$ -	\$ 1,119,413	\$ -	\$ 493,856

* NMPP activity is shown net of payroll and benefits expense and related reimbursement.

Public Alliance for Community Energy**Balance Sheets**

	February 2025	March 2024	\$ +/-
Assets			
Cash and cash equivalents	\$ 1,255,661	\$ 1,129,414	\$ 126,247
Investments	2,403,098	2,392,259	10,839
Accounts receivable	112,853	109,597	3,256
Prepaid expenses	2,491	32,834	(30,343)
Capital assets, net	24,592	14,157	10,435
Total assets	\$ 3,798,695	\$ 3,678,261	\$ 120,434
Liabilities			
Accounts payable	290	11,579	(11,289)
Due to coalition members	43,923	44,491	(568)
Total liabilities	44,213	56,070	(11,857)
Total Net Position	3,754,482	3,622,191	132,291
Total liabilities and net position	\$ 3,798,695	\$ 3,678,261	\$ 120,434

Public Alliance for Community Energy**Statements of Revenues and Expenses**

For the Fiscal Year to Date: April 2024 through February 2025

	Fiscal Year to Date			Prior Year	vs. Prior Year \$ +/-
	Actual	Budget	\$ +/-		
Revenues					
Marketing fees	\$ 962,500	\$ 962,500	\$ -	\$ 962,500	\$ -
Operating Expenses					
Administrative and general	593,545	603,019	(9,474)	567,146	26,399
Depreciation	5,331	1,705	3,626	22,743	(17,412)
Total operating expenses	598,876	604,724	(5,848)	589,889	8,987
Operating Income / (Loss)	363,624	357,776	5,848	372,611	(8,987)
Investment return	168,666	110,000	58,666	158,543	10,123
Net Revenue Before Distribution	532,290	467,776	64,514	531,154	1,136
Distribution to Members	(400,000)	-	(400,000)	(350,000)	(50,000)
Change in Net Position	\$ 132,290	\$ 467,776	\$ (335,486)	\$ 181,154	\$ (48,864)

Forvis Mazars Planning Communication to the Board of Directors and Management

Public Alliance for Community Energy

March 31, 2025

Thank You for Selecting Forvis Mazars

We are grateful for the opportunity to serve Public Alliance for Community Energy and gain insight into your operations. This communication provides useful information relevant to your role as those charged with governance of the entity, including summarized information required by professional standards, such as the planned scope and timing of the audit.

Our goal is to establish a foundation for effective two-way communication throughout the audit. We are available at your convenience to discuss this information and answer questions as we begin our audit.

Contacts During the Engagement

We understand the appropriate person in the governance structure with whom to communicate is:

- Mr. Andrew Devine, Chair of the Board of Directors

Your audit leader for any questions or communications is:

- Chris Lindner, Partner | chris.lindner@us.forvismazars.com | 402.473.7600
- Abby Dobson, Director | abby.dobson@us.forvismazars.com | 402.473.7600
- Trevor Copenhaver, Manager | trevor.copenhaver@us.forvismazars.com | 402.473.7600

Overview & Responsibilities

Matter	Description of Audit Area
Scope of Our Audit	<p>We have been engaged to audit the financial statements of Public Alliance for Community Energy for the year ended March 31, 2025.</p> <p>Please refer to our contract dated January 9, 2025 for additional information and the terms of our engagement.</p>
Audit Standards & Materiality	<p>We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.</p> <p>References to items that are material refer to misstatements, including omissions, that could, in our professional judgment, reasonably be expected to influence the economic decisions of users made on the basis of the financial statements.</p>

Matter	Description of Audit Area
Our Responsibilities	We are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with the applicable financial reporting framework.
Your Responsibilities	Our audit of the financial statements does not relieve you or management of your responsibilities.
Distribution Restriction	This communication is intended solely for the information and use of the Board of Directors and, if appropriate, management of the entity and is not intended to be, and should not be, used by anyone other than these specified parties.

Other Information Accompanying the Audited Financial Statements

Management is responsible for the other information included in the annual report.

The other information comprises the information included in the annual report but does not include the financial statements and our auditor’s report thereon.

We will not subject such information to the auditing procedures applied in the audit of the financial statements and, accordingly, we will not express an opinion or provide any assurance on it. Our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements or whether there is an indication that the other information appears to be materially misstated or misleading. We will respond appropriately when we identify material inconsistencies or when we otherwise become aware that information appears to be materially misstated.

In the event we issue a disclaimer of opinion on the financial statements, our auditor’s report will not make any reference to the annual report or to any procedures that may have been performed.

We understand that drafts of the annual report are not expected be available until after the planned issuance of our auditor’s report. We will request management to provide the documents to us when available in order to allow us to complete our required procedures described above. We will have no obligation to reissue our report in such situation to include the results of our procedures performed on the final document. However, if we identify material inconsistencies that indicate that the audited financial statements were misstated, then we will be required to evaluate the nature and magnitude of the misstatement to determine if a restatement of the previously issued financial statements is warranted.

Planned Timing of the Engagement

We succeed in our engagements by collaborating with management through frequent communication. We require the assistance of management and staff to prepare supporting documents, schedules and analysis and depend on those items to be ready no later than the dates that we mutually agree will meet your deadlines.

We expect to begin our audit on approximately April 28, 2025.

Draft financial statements are expected to be ready and we will issue our report in early May 2025.

Planned Audit Scope

We welcome any input you may have regarding the information discussed below. We also welcome any insight you have related to any other risk areas or other significant risk areas you believe warrant particular attention.



Extent of Testing

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

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.

Establishing Our Understanding

An audit also includes obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we will express no such opinion.

Communicating Deficiencies or Significant Matters

An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate internal control related matters that are required to be communicated under professional standards.

We will also communicate significant matters arising during the audit of the financial statements that are relevant to you in overseeing the financial reporting process as required by professional standards.

Significant Risks of Material Misstatement

We have preliminarily identified the following areas of significant risks of material misstatement due to error or fraud and propose to address these areas as described:

Risk Areas	Audit Approach
Risk of management override of controls	Analyze accounting estimates for bias, test selected journal entries, evaluate business rationale for unusual transactions
Improper revenue recognition	Agree payments to contract with third-party gas provider, perform revenue cut-off testing, analytically test revenue reasonableness

Other Procedures to Be Performed

We may also request written representations from the entity's general counsel as part of the engagement.

At the conclusion of our audit, we will require certain written representations from management about the financial statements and related matters.

We may identify additional significant risks as we complete our procedures.

Audit Implications of Significant Changes or Conditions

Critical audit areas

- Related party transactions
- Revenue recognition
- Distribution to members

Consideration of Error or Fraud

One of the most common questions we receive from governing bodies is, “How do you address fraud in a financial statement audit?” Our responsibility, as it relates to fraud, in an audit of financial statements is addressed in auditing standards generally accepted in the United States of America.

Our audit approach includes such procedures as:

- Engagement team brainstorming
- Inquiries of management and others
- Reviewing accounting estimates for bias