ORGANIZATION OF MISO STATES, INC.

FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Organization of Miso States, Inc.
Madison, Wisconsin

Opinion

We have audited the financial statements of Organization of Miso States, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024, and 2023 the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Organization of Miso States, Inc. as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matters

As discussed in Notes 1 and 4 to the financial statements, Organization of Miso States, Inc. has had numerous significant transactions with an organization with people who are related to the officers and directors of Organization of Miso States, Inc. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Organization of Miso States, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with U.S. GAAS, we:

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

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

KMA, S.C.

KMA, S.C.
Madison, Wisconsin
July 11, 2025

ORGANIZATION OF MISO STATES, INC.
STATEMENTS OF FINANCIAL POSITION
December 31,

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	$ 259,070	$ 364,349
Prepaid expenses	67,119	38,845
Interest receivable	2,660	2,660
Total current assets	328,849	405,854
FIXED ASSETS		
Furniture and equipment	5,999	5,999
Computers	5,374	4,319
Less accumulated depreciation	(7,570)	(6,266)
Net fixed assets	3,803	4,052
Operating lease right-of-use asset	3,012	20,578
Total assets	$ 335,664	$ 430,484
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 30,288	$ 35,130
Accrued compensation absences	23,717	8,933
Current portion of long-term operating lease liability	3,012	17,566
Total current liabilities	57,017	61,629
LONG-TERM LIABILITIES		
Operating lease liability	-	3,012
NET ASSETS WITHOUT DONOR RESTRICTIONS	278,647	365,843
Total liabilities and net assets	$ 335,664	$ 430,484

See accompanying notes and independent auditor's report.

ORGANIZATION OF MISO STATES, INC.

STATEMENTS OF ACTIVITIES

Years ended December 31,

	NET ASSETS WITHOUT DONOR RESTRICTIONS	
	2024	2023
REVENUES, GAINS AND OTHER SUPPORT		
MISO funding agreement	$ 1,035,541	$ 998,751
Interest income	40	40
Miscellaneous income	21,314	15,578
Meeting registration income	2,735	1,783
Total revenues, gains and other support	1,059,630	1,016,152
EXPENSES		
Program services	1,085,493	1,040,575
Supporting services	61,333	61,085
Total expenses	1,146,826	1,101,660
Net change in net assets without donor restrictions	(87,196)	(85,508)
Net assets at beginning of year	365,843	451,351
Net assets at end of year	$ 278,647	$ 365,843

See accompanying notes and independent auditor's report.

ORGANIZATION OF MISO STATES, INC.
STATEMENTS OF CASH FLOWS
Years ended December 31,

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (87,196)	$ (85,508)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	1,304	1,477
Reduction in carrying amount of operating lease	17,566	18,113
Changes in:		
Prepaid expenses	(28,274)	19,908
Interest receivable	-	286
Accounts payable	(4,842)	13,474
Accrued compensation absences	14,784	2,467
Lease liability	(17,566)	(18,113)
Net cash used in operating activities	(104,224)	(47,896)
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of fixed assets	(1,055)	-
Net cash used in investing activity	(1,055)	-
Change in cash	(105,279)	(47,896)
Cash at beginning of year	364,349	412,245
Cash at end of year	$ 259,070	$ 364,349
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for operating lease expense	$ 18,108	$ 17,878

See accompanying notes and independent auditor's report.

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Organization of Miso States, Inc. (the "Organization") is a nonprofit, self-governing organization of representatives from each state with regulatory jurisdiction over entities participating in the Midcontinent Independent System Operator, Inc. (MISO), a regional transmission organization as defined by the Federal Energy Regulatory Commission (FERC). The purpose of the Organization is to coordinate regulatory oversight among the states, including recommendations to MISO, the MISO Board of Directors, the FERC, other relevant government entities, and state commissions, as appropriate.

The Organization's member-states, provinces and other governmental entities are Arkansas, City of New Orleans, Illinois, Indiana, Iowa, Kentucky, Louisiana, Manitoba, Michigan, Minnesota, Mississippi, Missouri, Montana, North Dakota, South Dakota, Texas and Wisconsin.

The Organization was incorporated in the State of Indiana on June 11, 2003. The Organization is a nonprofit organization and is exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions are net assets not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. The Organization has no donor restricted net assets.

Cash

Cash includes amounts in a checking account and savings account.

Fixed Assets

The Organization capitalizes all acquisitions of fixed assets over $500. Lesser amounts are expensed. Purchased fixed assets are stated at cost. Fixed assets are depreciated using the straight-line method over five to seven years.

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with U.S. GAAP 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair value of Financial Instruments

The carrying amounts of financial instruments, including cash, interest receivable, accounts payable, and accrued compensation absences approximate their fair value due to the short maturity of these instruments.

MISO Funding Agreement

MISO provides administrative funding to the Organization in connection with implementing the Organization's function as it relates to MISO. The purpose of the funding agreement is to establish a long and productive relationship between the two organizations, working together with all industry participants to create and maintain efficient and reliable wholesale electric markets throughout the MISO region. MISO receives direct benefit from the Organization's use of the funds. Monthly remittances are based on MISO sanctioned budget and paid out subject to cash thresholds stipulated in the agreement. Performance obligation is deemed completed when cash is received and recognized as revenue. See Note 4.

Meeting Registration Income

The Organization generates income from registration fees paid by representatives attending meetings and summits organized for members to collaborate. Fees charged are recognized upon satisfaction of the performance obligation at a specific point of time.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, professional services, office supplies, dues and subscriptions, technology, advertising and marketing, and printing and postage, which are allocated on the basis of estimates of time and effort, and depreciation, equipment and maintenance, interest, utilities, and insurance, which are allocated on the basis of estimates of square footage. The following program services and supporting activities are included in the accompanying financial statements:

Program services—Program service activities relate to the Organization's mission to coordinate regulatory oversight among the states, including recommendations to MISO, the MISO Board of Directors, the FERC, other relevant government entities, and state commissions, as appropriate.

Supporting services—Supporting service activities relate to the overall direction of the Organization and include the functions necessary to ensure proper administrative functioning of the board of directors, manage the financial and budgetary responsibilities of the Organization, and perform other administrative functions.

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses (Continued)

See Note 6.

Related Party Relationship and Transactions

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such a relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Risk Management

The Organization is exposed to various risks of losses to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The Organization maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses.

Concentrations of Credit Risk

The Organization maintains cash accounts in financial institutions which, from time to time, exceeds the insured amount of $250,000 provided by the Federal Deposit Insurance Corporation (FDIC). The Organization's cash balance did not exceed FDIC insurance limits at December 31, 2024 and 2023.

The Organization receives substantially all of its revenue through a funding agreement with MISO. Any changes to the funding agreement will have a significant impact on the Organization's operating revenues. See Note 4.

Subsequent Events

The Organization has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued, for events requiring recording or disclosure in the Organization's financial statements.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization's financial assets at December 31:

	2024	2023
Financial assets at year-end:		
Cash	$ 259,070	$ 364,349
Interest receivable	2,660	2,660
Financial assets at year end	261,730	367,009
Financial assets available for general expenditures within one year	$ 261,730	$ 367,009

As part of the Organization's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities and other obligations come due.

NOTE 3 – EMPLOYEE RETIREMENT PLAN

The Organization has a 401(k) Plan (the "Plan") to provide retirement and incidental benefits for its employees. Employees may contribute up to 100% of their annual compensation to the Plan, limited to a maximum annual amount as set periodically by the Internal Revenue Service. The Organization matches employee contributions dollar for dollar up to a maximum of 4% of an employee's compensation per payroll period. All matching contributions vest immediately. In addition, the Plan provides for discretionary contributions as determined by the board of directors. Such contributions to the Plan are allocated among eligible participants in the proportion of their salaries to the total salaries of all participants.

For the years ended December 31, 2024 and 2023, the Organization made matching contributions totaling $10,771 and $12,848, respectively. No discretionary contributions were made in 2024 or 2023.

NOTE 4 – RELATED PARTY TRANSACTIONS

The Organization received revenue from MISO. The total amount received for the years ended December 31, 2024 and 2023 totaled $1,035,541 and $998,751, respectively, which is presented as MISO funding agreement under total revenues, gains and other support in the statements of activities. See Note 1.

NOTE 5 – DESCRIPTION OF LEASING ARRANGEMENTS

The Organization leases office space under operating leases with an initial monthly rent of $1,394, which increased to $1,509 starting March 2023. The lease originally expired in February 2025, after which the Organization signed a new virtual office lease on a month-to-month basis. The lease agreements do not include any material residual value guarantees or restrictive covenants.

NOTE 5 – DESCRIPTION OF LEASING ARRANGEMENTS (Continued)

The following summarizes the line items in the statements of financial position which include amounts for the operating lease as of December 31:

	2024	2023
Operating lease right-of-use assets	$ 3,012	$ 20,578
Current portion of long-term debt and operating lease liabilities	$ 3,012	$ 17,566
Operating lease liabilities	-	3,012
Total Operating lease liabilities	$ 3,012	$ 20,578

The components of operating lease included in office expense under "Supporting Services" in the statements of activities for the years ended December 31, 2024 and 2023 were $18,108 and $17,878, respectively.

Weighted average lease term was less than one year with a weighted average discount rate of 4.89% as of December 31, 2024.

The maturity of the operating lease liability as of December 31, 2024 is as follows:

2025	$ 3,012
Total lease payments	3,012
Less - interest	-
Present value of lease liability	$ 3,012

NOTE 6 – FUNCTIONAL EXPENSES

The following programs and supporting services are reflected in the statements of activities for the year ended December 31, 2024:

	Program	Supporting Services	Total
Personnel compensation and benefits	$ 491,873	$ -	$ 491,873
Travel	289,383	-	289,383
Membership program support	185,464	-	185,464
Organization meeting	79,061	-	79,061
Office	39,712	37,230	76,942
Organizational	-	12,571	12,571
Other personnel	-	7,016	7,016
Insurance	-	3,212	3,212
Depreciation	-	1,304	1,304
Total	$ 1,085,493	$ 61,333	$ 1,146,826

The following programs and supporting services are reflected in the statements of activities for the year ended December 31, 2023:

	Program	Supporting Services	Total
Personnel compensation and benefits	$ 384,734	$ -	$ 384,734
Travel	347,712	-	347,712
Office	90,523	34,394	124,917
Organization meeting	116,442	-	116,442
Membership program support	101,164	-	101,164
Organizational	-	12,547	12,547
Insurance	-	7,890	7,890
Other personnel	-	4,777	4,777
Depreciation	-	1,477	1,477
Total	$ 1,040,575	$ 61,085	$ 1,101,660