



Report of Independent Auditors

The Board of Commissioners
Public Utility District No. 1 of Clark County
Vancouver, Washington

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying individual and combined financial statements of Public Utility District No. 1 of Clark County's Electric System, Generating System, and Water System (the District), which comprise the statements of net position as of December 31, 2023, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the combined statement of net position as of December 31, 2022, and the related combined 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.

In our opinion, the accompanying individual and combined financial statements present fairly, in all material respects, the financial position of Public Utility District No. 1 of Clark County's Electric System, Generating System, and Water System as of December 31, 2023, and the results of its individual and combined operations and cash flows for the year then ended, and the combined statement of net position as of December 31, 2022, and the related combined statements of revenues, expenses, and changes in net position and cash flows for the year 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 (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 the District 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.

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 the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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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 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 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 the District'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 the District'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.

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Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the accompanying management discussion and analysis, schedule of the District's proportionate share of the net pension liability, the schedule of District contributions and the schedule of changes in total OPEB liability and related ratios be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the bonds maturity schedule and selected financial data and statistics, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Portland, Oregon
May 15, 2024

Management Discussion and Analysis

This discussion and analysis is designed to provide an overview of Clark Public Utilities' financial activities for the year ended December 31, 2023, with comparable information for 2022 and 2021. This supplementary information should be read in conjunction with the District's financial statements.

Clark Public Utilities is a municipal corporation incorporated in 1938 to serve the citizens of Clark County, Washington. The District is governed by an elected independent three-member board of commissioners. The District manages and operates three separate utility systems: Electric, Generating, and Water.

Electric System

The Electric System serves all of Clark County, an area of approximately 667 square miles. Power supplies are provided through a combination of power supply contracts and purchases from the Generating System. Weather, customer growth and economic conditions are the primary influences on electricity sales. Generally, extreme temperatures result in higher sales to residential customers, who use electricity for heating and cooling, while moderate temperatures cause reduced sales.

Financial Summary and Analysis

During 2023, the Electric System realized a net income before contributions of \$1.4 million. Factors influencing these results in 2023 include:

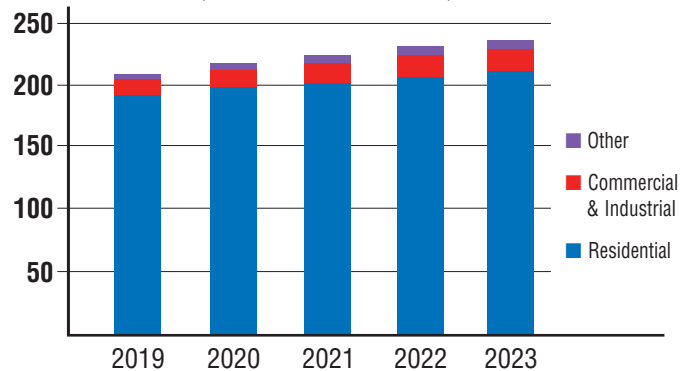
- Sales increased from \$435.9 million in 2022 to \$446.6 million in 2023 or 2.5 percent.
- Other operating revenues increased from \$10.1 million in 2022 to \$11.0 million in 2023 or 9.0 percent.
- Power supply expenses increased from \$290.2 million in 2022 to \$322.4 million in 2023 or 11.1 percent.
- Operating and maintenance expenses increased from \$65.8 million in 2022 to \$68.4 million in 2023 or 4.0 percent.
- The River Road Generating Plant was shut down for economic displacement and annual maintenance for 1,199 hours in 2023, compared to 1,736 hours in 2022.

System Rates

Electric System rates remained unchanged during 2023. In January 2024, a rate increase was adopted for the Electric System effective March 1, 2024.

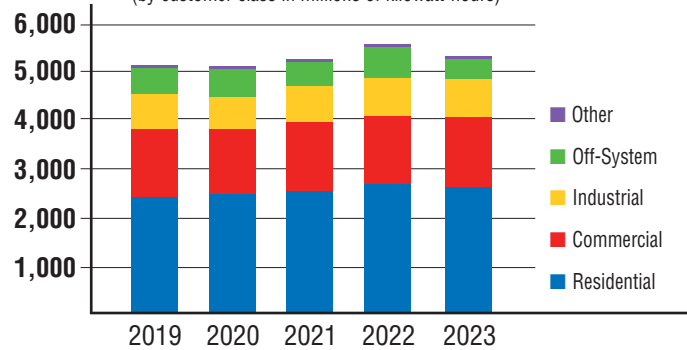
Electric System Customers

(by customer class in thousands)



Electric System Sales

(by customer class in millions of kilowatt-hours)



Electric System (continued)

Power Supply

For 2023, the Electric System had contracts with Bonneville Power Administration (BPA), the Generating System, Eurus Combine Hills II LLC and other power suppliers to provide the Electric System's power resources. The Electric System purchases about 49 percent of the energy requirements from BPA. Beginning October 1, 2011, the Electric System began taking deliveries under a Slice/Block product from BPA's federal power system. This contract expires September 2028. The BPA energy is a renewable hydropower resource. The contract provides for capacity and energy for the Electric System's load needs and requires hourly management of loads and resources. The rates charged by BPA under the contract are subject to periodic adjustments based on BPA's sales, revenue, and financial requirements.

Selected Financial Data

(in thousands)	2023	2022	2021
Operating revenues	\$ 457,627	\$ 446,017	\$ 421,493
Operating expenses	454,812	417,818	373,018
Operating income	2,815	28,199	48,475
Net income before contributions	1,431	21,534	36,015
Contributions in aid of construction	3,453	2,274	2,661
Total assets	\$ 891,090	\$ 929,727	\$ 863,572
Total deferred outflows of resources	13,030	14,419	6,690
Total assets and deferred outflows of resources	\$ 904,120	\$ 944,146	\$ 870,262
Total liabilities	\$ 362,067	\$ 390,916	\$ 334,966
Deferred inflows of resources	111,061	127,122	132,996
Net investment in capital assets	\$ 216,553	\$ 230,917	\$ 203,450
Restricted	21,460	21,460	19,523
Unrestricted	192,979	173,731	179,327
Total net position	\$ 430,992	\$ 426,108	\$ 402,300
Total liabilities, deferred inflows and net position	\$ 904,120	\$ 944,146	\$ 870,262
Change in net position	\$ 4,884	\$ 23,808	\$ 38,676

Capital Asset and Long-term Debt Activity

Total gross utility plant in service as of December 31, 2023, 2022 and 2021 consisted of the following:

(in thousands)	2023	2022	2021
Intangible plant	\$ 61,720	\$ 52,862	\$ 50,378
SBITA asset	683	-	-
Transmission and distribution	965,557	928,409	895,360
General plant	97,659	94,332	91,475
Total utility plant in service	1,125,619	1,075,603	1,037,213
Construction work in progress	18,080	16,910	8,771
Total gross utility plant	\$ 1,143,699	\$ 1,092,513	\$ 1,045,984

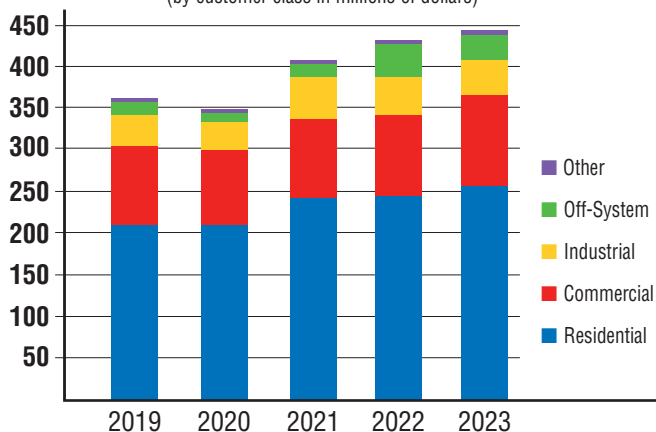
In 2023, the Electric System investment in gross utility plant increased by \$51.2 million. As of year-end, the Electric System had \$1.1 billion invested in gross utility plant. Utility plant net of depreciation was \$474.5 million, which represents an increase of \$13.2 million over 2022. Funds for capital construction are provided for through a combination of construction fees, cash flow from revenues and long-term revenue bonds.

Total liabilities as of December 31, 2023, 2022 and 2021 consisted of the following:

(in thousands)	2023	2022	2021
Total current liabilities	\$ 96,374	\$ 101,489	\$ 84,232
Total non-current liabilities	245,053	266,834	232,633
Total other liabilities	20,640	22,593	18,101
Total liabilities	\$ 362,067	\$ 390,916	\$ 334,966

At year-end, the Electric System had \$238.0 million in revenue bonds outstanding, versus \$255.6 million last year.

Electric System Revenues
(by customer class in millions of dollars)



Generating System

The Generating System operates the River Road Generating Plant, a natural gas-fired combined-cycle combustion turbine. The plant is a key element of the Electric System's integrated resource plan, and has operated smoothly and efficiently since beginning commercial operation in 1997. Since March 1, 2000, the plant has been operated under contract by General Electric. The District's goal is to operate the plant in an efficient and environmentally friendly manner for the benefit of the utility's customer-owners. The Generating System is a contract resource obligation of the Electric System. Operating income was \$17.7 million and \$9.2 million in 2023 and 2022, respectively.

Fuel Supply

The District's 2023 fuel requirements for the River Road Generating Plant were provided through a combination of short-term fuel purchases and financial commitments with counterparties. The River Road Generating Plant operations are balanced with the District's other power purchase contracts.

Fuel Transportation

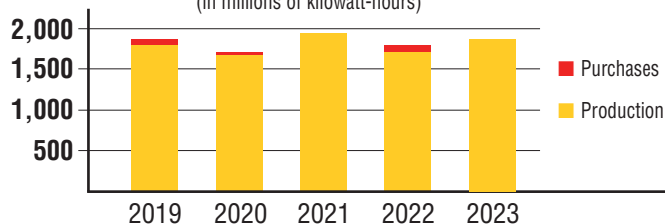
The District has agreements for natural gas transportation provided through a series of capacity releases on the Northwest Pipeline. The release agreements provide capacity sufficient to supply the River Road Generating Plant with 45,000 mmBtu per day.

Operating Statistics

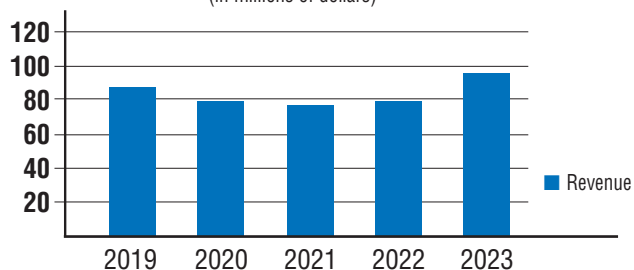
(in thousands, except hours and percentages)

	2023	2022	2021
Energy production (megawatt-hours)	1,829	1,696	1,943
Power purchased for displacement (mwh)	-	61	-
Total energy output (megawatt-hours)	1,829	1,757	1,943
Percent of Electric System			
energy purchases	33%	30%	35%
Fuel expense (less re-marketed fuel)	\$ 49,836	\$ 36,615	\$ 39,771
Production hours	7,561	7,024	7,886
Displacement hours	-	894	-
Unavailable hours	1,199	842	874
Total hours	8,760	8,760	8,760

Generating System Output
(in millions of kilowatt-hours)



Generating System Revenues
(in millions of dollars)



Selected Financial Data

(in thousands)	2023	2022	2021
Operating revenues	\$ 94,692	\$ 79,300	\$ 76,478
Operating expenses	77,015	70,109	65,273
Operating income	17,677	9,191	11,205
Net income before contributions	14,138	4,390	5,905
Contributions in aid of construction	-	-	-
Total assets	\$ 167,518	\$ 169,237	\$ 147,900
Total deferred outflows of resources	2,175	5,052	8,493
Total assets and deferred outflows of resources	\$ 169,693	\$ 174,289	\$ 156,393
Total liabilities	\$ 92,460	\$ 111,194	\$ 97,688
Net investment in capital assets	\$ 43,346	\$ 34,982	\$ 32,291
Restricted	9,897	9,897	8,666
Unrestricted	23,990	18,216	17,748
Total net position	\$ 77,233	\$ 63,095	\$ 58,705
Total liabilities and net position	\$ 169,693	\$ 174,289	\$ 156,393
Change in net position	\$ 14,138	\$ 4,390	\$ 5,905

Capital Asset and Long-term Debt Activity

In 2023, the Generating System investment in gross utility plant increased by \$28.3 million in capital construction. As of year-end, the Generating System had \$350.2 million invested in gross utility plant. Utility plant net of depreciation was \$127.9 million, which represented an increase of \$16.6 million from 2022. Funds for capital construction are provided for through long-term revenue bonds.

Total gross utility plant in service as of December 31, 2023, 2022 and 2021 consisted of the following:

(in thousands)	2023	2022	2021
Intangible plant	\$ 1,394	\$ 1,394	\$ 1,394
Source of supply	20	20	20
Pumping plant	170	170	170
Water treatment	697	697	697
Production plant	303,834	282,748	279,886
Transmission and distribution	18,261	18,261	18,261
General plant	11,230	9,229	8,915
Allowance for funds used	8,316	8,316	8,316
Total utility plant in service	\$ 343,922	\$ 320,835	\$ 317,659
Construction work in progress	6,296	1,056	16
Total gross utility plant	\$ 350,218	\$ 321,891	\$ 317,675

In 2023, \$4.8 million of Generating System capital expenditures was funded by regulatory revenue of the Electric System and is included as an Electric System power supply expense.

Total liabilities as of December 31, 2023, 2022 and 2021 consisted of the following:

(in thousands)	2023	2022	2021
Total current liabilities	\$ 26,123	\$ 20,429	\$ 18,986
Total non-current liabilities	66,337	90,765	78,702
Total liabilities	\$ 92,460	\$ 111,194	\$ 97,688

At year-end, the Generating System had \$84.1 million in revenue bonds outstanding versus \$100.5 million last year.

Water System

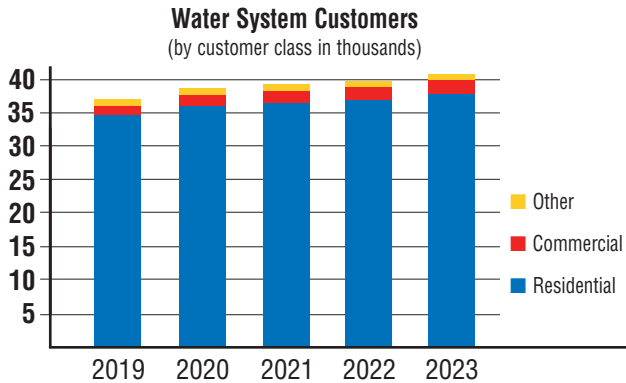
The Water System serves suburban and rural sections of Clark County, using groundwater to meet customer needs. The Water System owns and operates 36 wells and 34 reservoirs. Weather and economic conditions are the primary influences on water sales. Generally, warm, dry weather results in higher sales to residential customers, while wet weather results in lower sales.

Financial Summary and Analysis

During 2023, the Water System's operating revenues decreased by \$0.9 million or 3.9 percent. The Water System realized a net income before contributions of \$2.6 million for 2023.

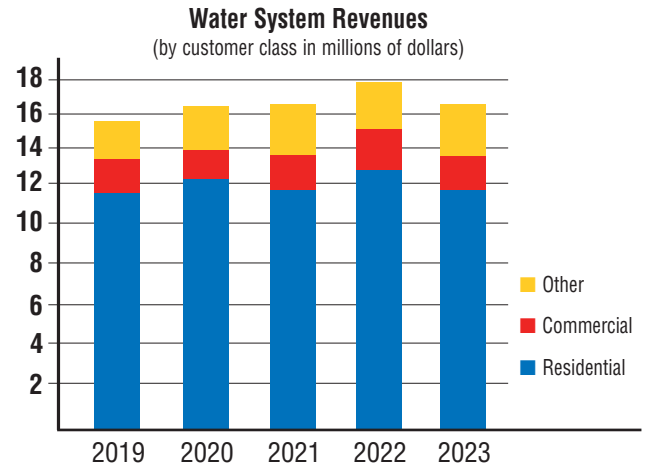
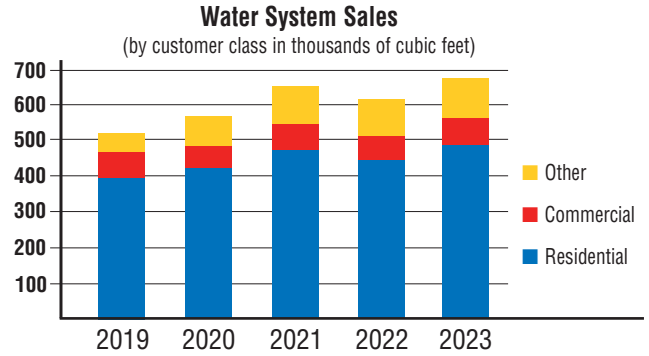
System Rates

Water System rates remained unchanged during 2023.



Selected Financial Data

(in thousands)	2023	2022	2021
Operating revenues	\$ 21,431	\$ 22,302	\$ 22,462
Operating expenses	18,397	18,515	18,059
Operating income	3,034	3,787	4,403
Net income (loss) before contributions	2,591	2,223	2,787
Contributions in aid of construction	4,108	3,839	3,578
Total assets	\$ 251,574	\$ 217,630	\$ 219,979
Total deferred outflows of resources	1,074	1,118	553
Total assets and deferred outflows of resources	\$ 252,648	\$ 218,748	\$ 220,532
Total liabilities	\$ 111,026	\$ 87,803	\$ 94,010
Deferred inflows of resources	10,356	6,378	8,017
Net investment in capital assets	\$ 100,986	\$ 98,868	\$ 94,474
Restricted	7,518	5,490	5,490
Unrestricted	22,762	20,209	18,541
Total net position	\$ 131,266	\$ 124,567	\$ 118,505
Total liabilities and net position	\$ 252,648	\$ 218,748	\$ 220,532
Change in net position	\$ 6,699	\$ 6,062	\$ 6,365



Capital Asset and Long-term Debt Activity

Total gross utility plant in service as of December 31, 2023, 2022 and 2021 consisted of the following:

(in thousands)	2023	2022	2021
Intangible plant	\$ 260	\$ 260	\$ 216
Source of supply	29,884	29,912	29,912
Pumping plant	20,004	19,756	18,816
Water treatment	5,789	5,789	5,789
Transmission and distribution	233,582	221,681	213,617
General plant	4,369	4,069	4,583
Total utility plant in service	293,888	281,467	272,933
Construction work in progress	8,675	9,004	4,405

Total gross utility plant \$ 302,563 \$ 290,471 \$ 277,338

In 2023, the Water System investment in gross utility plant increased by \$12.1 million. As of year-end, the Water System had \$302.6 million invested in gross utility plant. Utility plant net of depreciation was \$180.9 million, which represented an increase of \$4.9 million over 2022. Funds for capital construction are provided for through a combination of construction fees, cash flow from revenues, long-term revenue bonds, and long-term loans from the state of Washington.

Total liabilities as of December 31, 2023, 2022 and 2021 consisted of the following:

(in thousands)	2023	2022	2021
Total current liabilities	\$ 10,164	\$ 11,132	\$ 10,077
Total non-current liabilities	99,199	74,853	82,233
Total other liabilities	1,663	1,818	1,700
Total liabilities	\$ 111,026	\$ 87,803	\$ 94,010

At year-end, the Water System had \$87.6 million in revenue bonds outstanding, versus \$62.5 million last year.

Combined Statements of Revenues, Expenses and Changes in Net Position

Public Utility District No. 1 of Clark County

For the years ended December 31, 2023 and 2022 (in thousands)

	Electric System	Generating System	Water System	Total 2023	Total 2022
Operating revenues					
Sales	\$ 446,648	\$ 89,741	\$ 16,428	\$ 552,817	\$ 521,791
Other operating revenues	10,979	4,951	5,003	20,933	25,828
Total operating revenues	457,627	94,692	21,431	573,750	547,619
Operating expenses					
Power supply	322,350	-	-	322,350	290,217
Operation and maintenance expense	68,429	62,041	9,269	139,739	130,267
Depreciation and amortization expense	39,696	11,716	8,060	59,472	56,813
Taxes	24,337	3,258	1,068	28,663	29,145
Total operating expenses	454,812	77,015	18,397	550,224	506,442
Operating income	2,815	17,677	3,034	23,526	41,177
Non-operating revenues (expenses)					
Interest and investment revenue	12,540	1,742	1,784	16,066	5,335
Miscellaneous revenue	4,771	156	-	4,927	5,946
Amortization of debt	3,406	(1,232)	964	3,138	2,922
Interest expense	(11,771)	(4,205)	(3,191)	(19,167)	(17,573)
Miscellaneous expenses	(10,330)	-	-	(10,330)	(9,660)
Total non-operating revenues (expenses)	(1,384)	(3,539)	(443)	(5,366)	(13,030)
Net income (loss) before contributions	1,431	14,138	2,591	18,160	28,147
Contributions in aid of construction	3,453	-	4,108	7,561	6,113
Net increase (decrease) in net position	4,884	14,138	6,699	25,721	34,260
Total net position - beginning	426,108	63,095	124,567	613,770	579,510
Total net position - ending	\$ 430,992	\$ 77,233	\$ 131,266	\$ 639,491	\$ 613,770

The accompanying notes are an integral part of these combined financial statements.

Combined Statements of Net Position

Public Utility District No. 1 of Clark County

For the years ended December 31, 2023 and 2022 (in thousands)

	Electric System	Generating System	Water System	Total 2023	Total 2022
Assets					
Current assets:					
Cash and cash equivalents	\$ 301,749	\$ 37,421	\$ 66,839	\$ 406,009	\$ 441,941
Accounts receivable (net)	28,101	1,071	-	29,172	32,668
Accrued unbilled revenues	35,320	-	57	35,377	40,851
Materials and supplies	9,022	-	-	9,022	6,853
Prepayments and other assets	5,052	-	-	5,052	1,548
Total current assets	379,244	38,492	66,896	484,632	523,861
Utility plant:					
Plant in service	1,125,619	343,922	293,888	1,763,429	1,677,905
Construction work in progress	18,080	6,296	8,675	33,051	26,970
Total gross utility plant	1,143,699	350,218	302,563	1,796,480	1,704,875
Accumulated depreciation and amortization	(669,217)	(222,351)	(121,669)	(1,013,237)	(956,339)
Net utility plant	474,482	127,867	180,894	783,243	748,536
Regulatory and other assets	37,364	1,159	3,784	42,307	44,197
Total assets	891,090	167,518	251,574	1,310,182	1,316,594
Deferred outflows of resources	13,030	2,175	1,074	16,279	20,589
Total assets and deferred outflows	\$ 904,120	\$ 169,693	\$ 252,648	\$ 1,326,461	\$ 1,337,183

	Electric System	Generating System	Water System	Total 2023	Total 2022
Liabilities					
Current liabilities:					
Accounts payable	\$ 37,885	\$ 755	\$ 2,189	\$ 40,829	\$ 49,643
Accrued taxes and interest	17,957	2,678	1,687	22,322	22,941
Other accrued liabilities	22,662	-	-	22,662	20,143
Current maturities long-term debt	17,870	22,690	6,288	46,848	40,323
Total current liabilities	96,374	26,123	10,164	132,661	133,050
Long-term debt:					
Revenue bonds	220,135	61,395	83,035	364,565	380,010
Unamortized premium and discount	24,918	4,892	8,823	38,633	43,369
Other long-term debt	-	50	7,341	7,391	9,073
Total long-term debt	245,053	66,337	99,199	410,589	432,452
Other liabilities	20,640	-	1,663	22,303	24,411
Total liabilities	362,067	92,460	111,026	565,553	589,913
Deferred inflows of resources	111,061	-	10,356	121,417	133,500
Net position					
Net investment in capital assets	216,553	43,346	100,986	360,885	364,767
Restricted for:					
Debt reserve	21,460	9,897	7,518	38,875	36,847
Unrestricted	192,979	23,990	22,762	239,731	212,156
Total net position	430,992	77,233	131,266	639,491	613,770
Total liabilities, deferred inflows and net position	\$ 904,120	\$ 169,693	\$ 252,648	\$ 1,326,461	\$ 1,337,183

The accompanying notes are an integral part of these combined financial statements.

Combined Statements of Cash Flows

Public Utility District No. 1 of Clark County

For the years ended December 31, 2023 and 2022 (in thousands)

	Electric System	Generating System	Water System	Total 2023	Total 2022
Cash flows from operating activities:					
Receipts from customers	\$ 447,523	\$ 94,692	\$ 24,430	\$ 566,645	\$ 552,215
Payments to employees for services	(30,772)	-	-	(30,772)	(28,412)
Payments to suppliers for goods and services	(396,150)	(64,772)	(11,340)	(472,262)	(405,596)
Net cash from operating activities	20,601	29,920	13,090	63,611	118,207
Cash flows from investing activities:					
Utility plant additions, net of cost of removal and salvage	(49,481)	(28,327)	(8,808)	(86,616)	(59,371)
Interest received and other income (expense)	10,198	1,898	2,002	14,098	2,723
Net cash used by investing activities	(39,283)	(26,429)	(6,806)	(72,518)	(56,648)
Cash flows from capital financing activities:					
Borrowings from revenue bonds	-	-	39,540	39,540	81,665
Principal payments of revenue bonds	(17,605)	(16,385)	(14,470)	(48,460)	(35,925)
Other long-term debt	-	50	(1,733)	(1,683)	(1,733)
Acquisition of debt	-	-	2,343	2,343	4,019
Interest paid	(11,462)	(4,193)	(3,110)	(18,765)	(17,492)
Net cash from capital financing activities	(29,067)	(20,528)	22,570	(27,025)	30,534
Net increase (decrease) in cash and cash equivalents	(47,749)	(17,037)	28,854	(35,932)	92,093
Cash and cash equivalents at beginning of year	349,498	54,458	37,985	441,941	349,848
Cash and cash equivalents at end of year	\$ 301,749	\$ 37,421	\$ 66,839	\$ 406,009	\$ 441,941
Reconciliation of operating income to net cash from operating activities:					
Operating income	\$ 2,815	\$ 17,677	\$ 3,034	\$ 23,526	\$ 41,177
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation and amortization	39,696	11,716	8,060	59,472	56,813
Change in assets and liabilities:					
Accounts receivable (net)	8,123	762	23	8,908	(3,784)
Other assets	(3,460)	388	(18)	(3,090)	5,414
Accounts payable and other accrued liabilities	(6,695)	(623)	(1,003)	(8,321)	16,893
Regulatory and other liabilities	(19,878)	-	2,994	(16,884)	1,694
Net cash from operating activities	\$ 20,601	\$ 29,920	\$ 13,090	\$ 63,611	\$ 118,207

Supplemental disclosure of cash flow information

Non-cash capital and related financing and investing activities:

Contributions in aid of construction of \$7,561 and \$6,113 in 2023 and 2022 respectively.

The accompanying notes are an integral part of these combined financial statements.

Notes to Combined Financial Statements

The following notes are an integral part of the accompanying combined financial statements.

Note 1:

Summary of Operations and Significant Accounting Policies

Public Utility District No. 1 of Clark County, Washington (the District) is a municipal corporation owned by the people it serves and is operated for their benefit. The District is comprised of three operating utilities: the Electric, Generating and Water systems. Each operating utility system is physically and financially independent of the others. Electric and water rates are set by the District's elected commissioners.

The District has adopted accounting policies and practices that are in accordance with generally accepted accounting principles for regulated public utilities in the United States. A summary of the significant accounting policies follows:

a) Combined Financial Statements: The financial statements reflect the separate and combined utility operations of the District. The statements do not reflect elimination of transactions among the utilities.

b) Accounting Basis: The financial statements are prepared using the accrual basis of accounting for enterprise funds in conformity with Generally Accepted Accounting Principles (GAAP). The District uses as guidance Governmental Accounting Standards Board (GASB) pronouncements. In addition, the District's accounts are maintained in accordance with the Federal Energy Regulatory Commission's Uniform System of Accounts.

c) Revenue Recognition and Allowance for Doubtful Accounts: The District recognizes revenues as earned. Electric System customers are billed monthly and Water System customers are billed monthly or bimonthly. The District offers a program that averages customers' annual utility bills into equal monthly payments. The payments received in advance are offset as a credit against accounts receivable. It is the policy of the Electric System to purchase the receivables from the Water System. The allowance for doubtful accounts is provided entirely by the Electric System. The balance was \$5.6 million and \$5.7 million as of December 31, 2023 and 2022, respectively.

d) Utility Plant: Utility plant assets are stated at cost. Capital assets are tangible and intangible assets owned by the District and have initial useful lives extending beyond a single reporting period. Assets are classified by asset groups and useful lives are valued at industry norms. Management periodically reviews the carrying amounts of its long-lived assets for impairment. Depreciation is calculated on the straight-line method over the estimated useful life of the asset class. Depreciation rates are used for asset groups, and accordingly, no gain or loss is recorded on the disposition of an asset unless it represents a major retirement. The costs of maintenance and repairs are charged to operations as incurred.

e) Regulated Operations: The board of commissioners establishes rates to be charged for services delivered by the District. The established rates recover the costs of providing services to the customers of the District. The District follows industry accounting and capitalization principles for regulated operations. Regulatory assets and deferred inflows of resources are recorded when it is probable that future rates or rate reductions will permit recovery. (See Note 6.)

f) Sinking Funds: Certain bond issues and related agreements require the District to establish separate sinking fund accounts. The assets in these funds are restricted for specific uses, including debt service and other reserve requirements. (See Notes 7 and 10.)

g) Materials and Supplies: Materials and supplies inventories are stated at the lower of cost or market determined on the average cost basis.

h) Compensated Absences: The District records earned leave as a liability and accrues certain salary-related expenses associated with payment of compensated absences. The compensated absences balance was \$22.3 million and \$19.8 million as of December 31, 2023 and 2022, respectively.

i) Use of Estimates: The 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. Specific estimates include allowance for doubtful accounts, unbilled revenue, depreciation, net pension liability and other postemployment benefit liability. Actual results could differ from those estimates.

j) Reclassifications: Certain account balances have been classified in a manner different from the preceding year to provide comparability of the combined financial statements.

k) Subscription-Based Information Technology Arrangements: In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), for fiscal years beginning after June 15, 2022. A SBITA is a contract that conveys control of the right to use another party's software, alone or in combination with tangible assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. This statement requires recognition of SBITA assets and SBITA liabilities for software contracts that were previously classified as either intangible plant or prepayments and recognized as outflows of resources. The subscription term is the period of time that the District has a non-cancellable right to use the underlying asset. Subscriptions with a maximum possible term of 12 months or less at commencement are excluded and are recognized as outflows of resources. SBITA assets are amortized over the shorter of the subscription term or the useful life of the underlying asset. (See Note 12: Subscription-Based Information Technology Arrangements.)

Notes to Combined Financial Statements

Note 2:

Purchased Power Contracts

Power supply is acquired from the River Road Generating Plant and a combination of power purchase contracts. The District is a preference customer of the Bonneville Power Administration (BPA), an agency of the United States Department of Energy. BPA provided 49 percent of the District's power supply in 2023, with the remainder produced by the River Road Generating Plant, the Combine Hills LLC Wind Power Agreement, the Packwood Hydroelectric Project and market power purchases.

The Electric System executes physical transactions for the procurement of natural gas and power. Forward contracts are used to lock in price and firm the physical supply of energy products to match and cover energy loads. Purchased power and natural gas procurement are guided by the principles established in a formal power supply risk management policy.

a) BPA Contracts

Effective October 2011, the District began taking deliveries under the Slice/Block power sales contract with BPA. The BPA contract incorporates details of the District's purchase of the Slice/Block product from the Federal power system and expires September 2028. This contract provides for capacity and energy for the District's load needs and requires hourly management of loads and resources.

The District also has an executed contract for Network Transmission (NT) with BPA from October 2001 through September 2031. The NT agreement is used to deliver resources, power sales contracts and market purchases to serve the District's energy load.

Residential Exchange Program: During 1980, Congress enacted the Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act). The Northwest Power Act authorizes Northwest utilities to exchange their generally higher-cost power serving residential and small farm customers for an equivalent amount of energy from BPA. During 2011, the District signed a Revised Residential Exchange Settlement Agreement with BPA settling the methodology for the calculation of future benefits. The revised agreement took effect October 1, 2011. The District received no Residential Exchange Program credits from BPA in 2023 or 2022.

b) River Road Generating Plant

The natural gas-fired generating plant produces electric energy to serve the Electric System, which purchases 100 percent of the output at cost. The plant was shut down for 1,199 hours in 2023 and 1,736 hours in 2022 for maintenance or economic displacement.

c) Combine Hills II LLC Wind Power Agreement

To meet the requirements of Initiative 937, the Washington Energy Independence Act, the District entered into a power purchase power arrangement in 2009 with Eurus Combine Hills II LLC. Under the agreement, the District purchases the entire output of a 63-megawatt nameplate capacity wind project for a 20-year term beginning in January 2010. The project began commercial operation in January 2010. During 2023, output from the project was brought to serve utility load.

d) Services

Beginning October 1, 2011, the District entered into an agreement with The Energy Authority (TEA) to provide trading, scheduling, settlements, hedging and forecasting services for all loads and resources for the District's power supply requirements. TEA also has provided scheduling services for Combine Hills II since April 1, 2016.

e) Energy Northwest

Packwood Hydroelectric Project: Under the terms of a long-term contract with Energy Northwest, the District received 18 percent of the capability of the Packwood project to serve its energy load needs. The Packwood project is a 27.5-megawatt hydroelectric project, and the District is obligated to pay 18 percent of the project's annual costs.

Washington Nuclear Projects (WNP) 1, 2 and 3: The District signed "net-billing agreements" with Energy Northwest and BPA. Under terms of these agreements, the District agreed to purchase a maximum of 14 percent and 6 percent of the capability of WNP-1 and WNP-2 and 14 percent of Energy Northwest's 70 percent ownership share of WNP-3, respectively. The District contractually transferred this capability to BPA. Through the transfer, BPA is obligated to pay the District and the District is obligated to pay Energy Northwest a pro rata share of the total annual costs of each project, including debt service on revenue bonds issued to finance the projects, whether or not the projects are completed, operable, or operating and notwithstanding the suspension, reduction, or curtailment of the projects' output.

Natural Gas Procurement

Natural gas to supply the River Road Generating Plant is provided by purchases from various counterparties. The agreements secure financial commitments and contracts to procure physical natural gas deliveries and mitigate delivery risk.

a) Natural Gas Management: The Electric System has an agreement with Shell Energy (US) LP for fuel, power and heat rate services. Services provided by this contract include re-marketing of surplus natural gas and gas transportation and purchasing natural gas as directed by the District. This contract provides for annual renewals each year after September 2016 at each party's option. In 2023, both parties exercised their option for renewal through September 2024.

b) Natural Gas Transportation: Agreements for natural gas transportation are provided through a series of capacity releases on the Northwest Pipeline. The release agreements provide capacity sufficient to supply River Road Generating Plant with 45,000 mmBtu per day.

Power Supply Costs

For the years ended December 31
(in thousands)

	2023	2022
Bonneville Power Administration	\$ 89,410	\$ 96,620
From Generating System	89,741	67,962
Packwood	609	598
Market purchases	97,714	82,598
Wind	12,536	11,878
Transmission	27,157	27,248
Other production expense	5,183	3,313
Total power supply costs	\$ 322,350	\$ 290,217
Average power cost in mills/kwh	57.69	50.16

Notes to Combined Financial Statements

Note 3: Litigation

As a result of operations, the District may be involved in litigation. It is the District's policy to defend itself or pursue claims determined to be in the best interests of the District's customers. The District believes the various litigation positions in the cases have merit; however, is not able to predict the outcome of any of the unresolved litigation and the effect, if any. The District does not believe that any of the current litigation will have a material effect on the reported financial position.

Note 4: Utility Plant

Utility plant in service as of December 31, 2023 and 2022 consisted of the following:

Electric System

(in thousands)	Balance Dec. 31, 2022	Additions/ Reclassifications	Retirements/ Reclassifications	Balance Dec. 31, 2023
Intangible plant	\$ 52,862	\$ 8,858	\$ -	\$ 61,720
SBITA asset (Note 12)	-	683	-	683
Trans and distribution	928,409	39,020	1,872	965,557
General plant	94,332	4,221	894	97,659
Total plant in service	\$ 1,075,603	\$ 52,782	\$ 2,766	\$ 1,125,619

Generating System

(in thousands)	Balance Dec. 31, 2022	Additions/ Reclassifications	Retirements/ Reclassifications	Balance Dec. 31, 2023
Intangible plant	\$ 1,394	\$ -	\$ -	\$ 1,394
Source of supply	20	-	-	20
Pumping plant	170	-	-	170
Water treatment	697	-	-	697
Production plant	282,748	21,086	-	303,834
Trans and distribution	18,261	-	-	18,261
General plant	9,229	2,001	-	11,230
Allowance for funds used	8,316	-	-	8,316
Total plant in service	\$ 320,835	\$ 23,087	\$ -	\$ 343,922

Water System

(in thousands)	Balance Dec. 31, 2022	Additions/ Reclassifications	Retirements/ Reclassifications	Balance Dec. 31, 2023
Intangible plant	\$ 260	\$ -	\$ -	\$ 260
Source of supply	29,912	-	28	29,884
Pumping plant	19,756	248	-	20,004
Water treatment	5,789	-	-	5,789
Trans and distribution	221,681	12,742	841	233,582
General plant	4,069	300	-	4,369
Total plant in service	\$ 281,467	\$ 13,290	\$ 869	\$ 293,888

Note 5: Other Assets and Liabilities

Other Assets

Other assets as of December 31, 2023 and 2022 consisted of the following:

(in thousands)	Electric System	Generating System	Water System	December 31 2023	December 31 2022
Non-current conservation loans (Note 11)	\$ 1,665	\$ -	\$ -	\$ 1,665	\$ 1,950
Net pension asset	12,312	-	1,041	13,353	12,586
Total	\$ 13,977	\$ -	\$ 1,041	\$ 15,018	\$ 14,536

Other Liabilities

Other liabilities as of December 31, 2023 and 2022 consisted of the following:

(in thousands)	Electric System	Generating System	Water System	December 31 2023	December 31 2022
Net pension liability	\$ 5,342	\$ -	\$ 452	\$ 5,794	\$ 7,285
OPEB liability	13,646	-	1,154	14,800	16,063
SBITA liability (Note 12)	501	-	-	501	-
Operation Warm Heart	914	-	-	914	812
Other	237	-	57	294	251
Total	\$ 20,640	\$ -	\$ 1,663	\$ 22,303	\$ 24,411

Net pension liability and net pension asset represent the District's portion of the calculated present value of projected benefit payments to be provided to active and inactive employees that is attributed to past periods of employee service, less the pension plan's fiduciary net position. (See Note 8: Pension Plans.)

OPEB liability represents an actuarial measurement of the future cost of healthcare benefits to be received by retirees, attributable to those employees' past periods of services defined under GASB Statement No. 75. (See Note 1 and 8: OPEB.)

The District through the Operation Warm Heart program solicits donations from customers to provide payment assistance for qualified customers.

Notes to Combined Financial Statements

Note 6:

Deferred Outflows and Inflows of Resources

The board of commissioners has taken various actions that result in the recognition of revenues and expenses for ratemaking purposes. These actions result in regulatory assets, deferred outflows of resources, and deferred inflows of resources, which are summarized in the tables below. Changes in their balances, and their inclusion in rates, occur only at the direction of the board.

Regulatory Assets

Regulatory assets as of December 31, 2023 and 2022 consisted of the following:

(in thousands)	Electric System	Generating System	Water System	December 31	
				2023	2022
Reg power exp	\$ -	\$ 775	\$ -	\$ 775	\$ 1,162
Reg OPEB exp	16,596	-	1,404	18,000	17,905
Reg pension exp	5,245	-	444	5,689	7,590
Reg unamort debt exp	1,546	384	895	2,825	3,004
Total	\$ 23,387	\$ 1,159	\$ 2,743	\$ 27,289	\$ 29,661

Regulatory OPEB expense represents a portion of the change in net OPEB items, as defined under GASB Statement No. 75. Regulatory accounting is used to recognize OPEB expense. (See Notes 1 and 8: OPEB.)

Regulatory pension expense represents the District's portion of the change in pension items, as defined under GASB Statement No. 68 and GASB Statement No. 71. Regulatory accounting is used to recognize pension expense in accordance with the required employer contribution rates set by the Washington state Pension Funding Council. (See Note 8: Pension Plans.)

Regulatory unamortized debt expense represents fees and expenses associated with the issuance of revenue bonds. These costs are amortized over the life of the remaining bonds and recognized as expenses in future rate periods.

Deferred Outflows of Resources

Deferred outflows of resources as of December 31, 2023 and 2022 consisted of the following:

(in thousands)	Electric System	Generating System	Water System	December 31	
				2023	2022
Unamortized loss on reaq debt	\$ 332	\$ 2,175	\$ -	\$ 2,507	\$ 5,661
OPEB costs	2,323	-	196	2,519	2,165
Pension costs	10,375	-	878	11,253	12,763
Total	\$ 13,030	\$ 2,175	\$ 1,074	\$ 16,279	\$ 20,589

The loss on reacquired debt represents unamortized components associated with revenue refunding bonds. These costs are amortized over the shorter of the remaining term of the refunded bonds or the term of the refunding bonds.

OPEB costs represent a portion of the change in net OPEB items, as defined under GASB Statement No. 75. Regulatory accounting is used to recognize OPEB expense. (See Note 1 and 8: OPEB.)

Pension costs represent a portion of the change in net pension items, as defined under GASB Statement No. 68. Regulatory accounting is used to recognize pension expense in accordance with the required employer contribution rates set by the Washington state Pension Funding Council. (See Note 8: Pension Plans.)

Deferred Inflows of Resources

Deferred inflows of resources as of December 31, 2023 and 2022 consisted of the following:

(in thousands)	Electric System	Generating System	Water System	December 31	
				2023	2022
Reg revenue	\$ 83,197	\$ -	\$ 7,388	\$ 90,585	\$ 103,837
Reg liability	15,863	-	1,342	17,205	12,597
Unamortized gain on reaqacquired debt	-	-	611	611	-
OPEB costs	5,274	-	446	5,720	4,008
Pension costs	6,727	-	569	7,296	13,058
Total	\$ 111,061	\$ -	\$ 10,356	\$ 121,417	\$ 133,500

During 2023, Electric System regulatory revenues were applied to fund \$4.8 million for the Clark Public Utilities Generating Flex Product capital expenditures, \$16.5 million for extreme weather power supply expense, and \$57,000 for Operation Warm Heart. At year-end 2023, the Board of Commissioners increased regulatory revenue \$2.0 million in the Electric System to be used in January 2024 to reduce purchase power expense and \$3.0 million in the Water System to be used in future rate periods.

Regulatory pension liability represents the District's portion of the change in pension items, as defined under GASB Statement No. 68 and GASB Statement No. 71. Regulatory accounting is used to recognize pension credits in accordance with the required employer contribution rates set by the Washington state Pension Funding Council. (See Note 8: Pension Plans.)

The unamortized gain on reacquired debt represents unamortized amounts associated with revenue refunding bonds which are amortized over the shorter of the remaining term of the refunded bonds or the term of the refunding bonds.

OPEB costs represent a portion of the change in net OPEB items, as defined under GASB Statement No. 75. Regulatory accounting is used to recognize OPEB expense. (See Note 1 and 8: OPEB.)

Pension costs represent a portion of the change in net pension items, as defined under GASB Statement No. 68. Regulatory accounting is used to recognize pension expense in accordance with the required employer contribution rates set by the Washington state Pension Funding Council. (See Note 8: Pension Plans.)

Notes to Combined Financial Statements

Note 7:

Current and Long-term Debt

Electric System

During the year ended December 31, 2023, the following changes occurred in revenue bonds:

(in thousands)	Balance Dec 31, 2022	Additions	Reductions	Balance Dec 31, 2023	Amounts due within one year
2012 Revenue and Refunding Bonds Due in annual installments of \$1,660 - \$4,675 through January 1, 2033; interest at 3.25% - 5.00%.	\$ 26,910	\$ -	\$ 4,460	\$ 22,450	\$ 4,675
2014 Revenue and Refunding Bonds Due in annual installments of \$1,405 - \$3,380 through January 1, 2035; interest at 5.00%.	29,355	-	3,445	25,910	1,405
2016 Revenue and Refunding Bonds Due in annual installments of \$2,220 - \$8,715 through January 1, 2037; interest at 5.00%.	74,885	-	7,165	67,720	7,525
2018 Revenue Bonds Due in annual installments of \$1,310 - \$2,720 through January 1, 2039; interest at 5.00%.	32,225	-	1,245	30,980	1,310
2020 Revenue Bonds Due in annual installments of \$1,355 - \$3,100 through January 1, 2041; interest at 5.00%.	39,365	-	1,290	38,075	1,355
2022 Revenue Bonds Due in annual installments of \$1,600 - \$4,040 through January 1, 2043; interest at 5.00%.	52,870	-	-	52,870	1,600
Total Electric System Revenue Bonds	\$ 255,610	\$ -	\$ 17,605	\$ 238,005	\$ 17,870

Notes to Combined Financial Statements

Generating System

During the year ended December 31, 2023, the following changes occurred in revenue bonds:

(in thousands)	Balance Dec 31, 2022	Additions	Reductions	Balance Dec 31, 2023	Amounts due within one year
2012A Revenue and Refunding Bonds Due in an installment of \$11,265 on January 1, 2025; interest at 5.00%.	\$ 11,265	\$ -	\$ -	\$ 11,265	\$ -
2012B Revenue Bonds Due in annual installments of \$1,425 - \$1,470 through January 1, 2025; interest at 3.143% - 3.293%.	4,275	-	1,380	2,895	1,425
2016 Revenue and Refunding Bonds Due in annual installments of \$1,000 - \$14,870 through January 1, 2037; interest at 5.00%.	39,000	-	6,880	32,120	14,870
2018 Revenue Bonds Due in annual installments of \$2,860 - \$3,150 through January 1, 2026; interest at 5.00%.	11,730	-	2,720	9,010	2,860
2020 Revenue Refunding Bonds	5,405	-	5,405	-	-
2022 Revenue Bonds Due in annual installments of \$3,535 - \$4,740 through January 1, 2030; interest at 5.00%.	28,795	-	-	28,795	3,535
Total Generating System Revenue Bonds	\$ 100,470	\$ -	\$ 16,385	\$ 84,085	\$ 22,690

Notes to Combined Financial Statements

Water System

During the year ended December 31, 2023, the following changes occurred in revenue bonds:

(in thousands)	Balance Dec 31, 2022	Additions	Reductions	Balance Dec 31, 2023	Amounts due within one year
2014 Revenue Bonds Due in an annual installment of \$775 January 1, 2024; interest at 3.50%.	\$ 11,385	\$ -	\$ 10,610	\$ 775	\$ 775
2017 Revenue and Refunding Bonds Due in annual installments of \$930 - \$2,775 through January 1, 2037; interest at 5.00%.	26,545	-	2,290	24,255	2,405
2019 Revenue Bonds Due in annual installments of \$395 - \$860 through January 1, 2040; interest at 5.00%.	10,535	-	375	10,160	395
2021 Revenue and Refunding Bonds Due in annual installments of \$440 - \$980 through January 1, 2042; interest at 4.00% - 5.00%.	14,055	-	1,195	12,860	980
2023 Revenue and Refunding Bonds Due in annual installments of \$1,495 - \$2,560 through January 1, 2044; interest at 5.00%.	-	39,540	-	39,540	-
Total Water System Revenue Bonds	\$ 62,520	\$ 39,540	\$ 14,470	\$ 87,590	\$ 4,555

During 2023, the District issued Water System Revenue and Refunding Bonds, Series 2023 in the amount of \$39.5 million. The bonds provided funds for capital construction requirements, refunded a portion of the District's outstanding Series 2014 Water System Revenue and Refunding Bonds, and funded the reserve account requirements for the 2023 issuance. The refunding of the 2014 bond series resulted in a positive net present value savings. They mature serially in varying amounts and are subject to early redemption privileges.

Debt Service

The District's revenue bond sinking fund requirements are as follows:

(in thousands)	Electric System			Generating System			Water System		
	Interest	Principal	Total	Interest	Principal	Total	Interest	Principal	Total
2024	\$ 10,825	\$ 17,255	\$ 28,080	\$ 3,045	\$ 20,465	\$ 23,510	\$ 4,069	\$ 5,025	\$ 9,094
2025	9,963	18,120	28,083	2,047	8,120	10,167	3,817	5,275	9,092
2026	9,057	17,100	26,157	1,641	5,220	6,861	3,554	5,535	9,089
2027	8,202	14,980	23,182	1,380	5,480	6,860	3,277	5,230	8,507
2028	7,486	15,700	23,186	1,105	5,755	6,860	3,015	5,495	8,510
2029-2033	27,275	65,095	92,370	2,454	11,945	14,399	11,451	23,150	34,601
2034-2038	12,457	50,785	63,242	408	4,410	4,818	6,054	19,300	25,354
2039-2043	2,384	21,100	23,484	-	-	-	1,888	14,025	15,913

Notes to Combined Financial Statements

Debt Service Reserve Accounts

The resolutions for outstanding bonds of the District require setting aside amounts in debt service reserve accounts equal to the lesser of maximum annual debt service for each bond series in any fiscal year or 125 percent of average annual debt service for each bond. At December 31, 2023, the debt service reserve accounts are fully cash funded.

Debt service reserve accounts as of December 31, 2023 and 2022 were as follows:

(in thousands)	Electric System	Generating System	Water System	December 31	
				2023	2022
Cash deposits	\$ 21,460	\$ 9,897	\$ 7,518	\$ 38,875	\$ 36,847

Other Debt

Lines of Credit

The District has authorized and issued subordinate lien revenue lines of credit for each of the systems to meet temporary cash requirements for capital and operating expenses.

In April 2023, the District replaced the existing U.S. Bank National Association subordinate lien revenue line of credit notes with Bank of America, N.A. subordinate lien revenue line of credit notes in the amounts of \$20 million for the Electric System, \$20 million for the Generating System and \$2 million for the Water System, which mature July 1, 2026. The Generating System had an outstanding balance of \$50,000 at December, 31, 2023.

Water System Other Debt

The District has participated with the state of Washington in financing various long-term capital improvements for the Water System. These funds have been provided from three sources – Public Works Trust Fund, Drinking Water State Revolving Fund, and the Department of Ecology. In order to participate in these financing vehicles the District matches funds with the loan awards. Loans are repaid over terms of 20 to 21 years, with annual interest rates from .25 percent to 1.5 percent. The current outstanding long-term obligations for the Water System reflect the total draw on the loan awards. The carrying amounts approximate the fair value since such loans are exclusive and have no market. Principal and interest payments on these outstanding obligations are as follows:

(in thousands)	Interest	Principal	Total	Outstanding Principal Balance
Balance on Dec. 31, 2023				\$ 9,074
2024	\$ 69	\$ 1,733	\$ 1,802	7,341
2025	58	1,169	1,227	6,172
2026	50	1,118	1,168	5,054
2027	42	845	887	4,209
2028	36	845	881	3,364
2029-2033	93	3,151	3,244	213
2034	3	213	216	-

Note 8:

Pension Plans, Postemployment Benefits, and Deferred Compensation Plans

Pension Plans

District employees participate in a statewide local government retirement system administered by the Washington State Department of Retirement Systems (DRS). The Public Employee Retirement System (PERS) is a cost sharing multiple employer system that provides for retirement and disability benefits based upon compensation and length of service. PERS consists of three separate plans: Plan 1, Plan 2 and Plan 3. Plan 1 is a defined-benefit plan that covers employees hired prior to October 1, 1977. Plan 2 is a defined-benefit plan for employees hired into the PERS system on or after October 1, 1977. Beginning September 1, 2002, PERS statutes made available an optional Plan 3 for new employees and Plan 2 members. Plan 3 is a two-part system, consisting of an employer-funded defined-benefit component and an employee-funded defined-contribution component.

Each plan has specific calculations for eligibility, actuarial deductions, full retirement benefit payments, and survivor or disability payments. Detailed information on all plans is found on the DRS public website at www.drs.wa.gov. The general vesting and retirement eligibility criteria are outlined as follows:

	Defined benefit vesting	Eligibility for retirement
PERS 1	5 years of eligible service	Any age with at least 30 years of service At age 55 with 25 years of service At age 60 and vested
PERS 2	5 years of eligible service	At age 65 and vested At age 55 with 20 years of service at a reduced benefit
PERS 3	5-10 years, depending on age/previous PERS 2	At age 65 and vested At age 55 with 10 years of service at a reduced benefit

PERS Funding Policy: The District and all participating agencies are required to contribute to each plan at rates established by the state Pension Funding Council, using recommendations from the Office of the State Actuary. Each biennium the council sets employer contribution rates for Plan 1, Plan 2 and Plan 3, along with Plan 2 employee contribution rates. The employee contribution rate for Plan 1 is established by state statute and does not vary from year to year. Employee contribution rates for Plan 3 are set by the Employee Retirement Benefits Board. The methods used to determine the contribution requirements are established under state statute.

Notes to Combined Financial Statements

Plan 2 is funded by the employer and employee contributions and associated investment earnings. The Plan 3 defined-benefit component is funded by the employer contributions and the associated investment earnings. The Plan 3 defined-contribution component is funded by the employee contributions and associated investment earnings. The required contribution rates to the PERS retirement system as of December 31, 2023, are as follows:

	PERS 1	PERS 2	PERS 3
Employer	9.53%	9.53%	9.53%
Employee	6.00%	6.36%	5-15%

Actuarial Assumptions - Pension: The total pension liability (TPL) for each of the plans was estimated using the most recent actuarial valuation completed in 2023 with a valuation date of June 30, 2022. The actuarial assumptions used in the valuation were based on the results of Office of State Auditor's (OSA) 2013-2018 Demographic Experience Study and the 2021 Economic Experience Study.

Additional assumptions for the subsequent events and law changes are current as of the 2022 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2023. Plan liabilities were rolled forward from June 30, 2022 to June 30, 2023, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments. The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation (economic)	2.75%
Active Member Payroll Growth	3.25%
Investment Rate of Return	7.00%

Mortality rates for active members, retirees, survivors and people with disabilities were developed using Pub. H-2010 Mortality rates published by the Society of Actuaries. OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. Mortality rates are applied on a generational basis, meaning each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

The long-term expected rate of return on DRS pension plan investments is forecast using a building block method. The Washington State Investment Board (WSIB) used a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, including inflation) to develop each major asset class. Those expected returns make up one component of WSIB's capital market assumptions. The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns at various times. The long-term expected rate of return of 7.00 percent approximately equals the median of the simulated investment returns over various future times.

Estimated Rates of Return by Asset Class - Pension: Best estimates of arithmetic real rates of return for each major class are included in the pension plan's target asset allocation as of June 30, 2023. The inflation component used to create the table is 2.20 percent and represents WSIB's most recent long-term estimate of broad economic inflation. A summary of the estimated rates of return by asset class are as follows:

Asset class	Target allocation	Long-term expected real rate of return arithmetic
Fixed income	20%	1.50%
Tangible assets	7%	4.70%
Real estate	18%	5.40%
Global equity	32%	5.90%
Private equity	23%	8.90%

Discount Rate: The discount rate used to measure the total DRS pension liability was 7.00 percent. To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all the projected future benefit payments for current plan members. Based on those assumptions described in the OSA's certification letter within the DRS Annual Comprehensive Financial Report, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.00 percent was used to determine the total liability.

Pension Liability Sensitivity: The following table reflects the impact of the discount rate assumptions on the District's proportionate share of net pension liability:

(in thousands)	1% decrease in discount rate 6.0%	Discount rate 7.0%	1% increase in discount rate 8.0%
Proportionate share of the PERS Plan 1 net pension liability (asset)	\$ 8,095	\$ 5,794	\$ 3,786
Proportionate share of the PERS Plan 2/3 net pension liability (asset)	\$ 14,523	\$ (13,353)	\$ (36,255)

Notes to Combined Financial Statements

Pension Plan Fiduciary Net Position: Detailed information about each defined benefit pension plan's fiduciary net position is available in a separately issued DRS 2023 Annual Comprehensive Financial Report. The DRS Annual Comprehensive Financial Report may be downloaded from the DRS website at www.drs.wa.gov.

Any information obtained from the DRS is the responsibility of the state of Washington. The District's pension contribution amounts were verified by an internal review of the information provided by DRS. However, the District has relied on the information provided in the Washington State DRS Annual Comprehensive Financial Report and the Washington State DRS Participating Employer Financial Information (PEFI) obtained from DRS when recognizing pension cost for 2023 and 2022.

Washington State Retirement System Pension Costs: As of June 30, 2023, Washington State Department of Retirement Systems total pension liability for all covered entities included in the Washington State Annual Comprehensive Financial Report for PERS Plans 1 and 2/3 was as follows:

(in thousands)	PERS 1	PERS 2/3	Jun 30, 2023	Jun 30, 2022
Total pension liability	\$ 11,508,253	\$ 58,402,368	\$ 69,910,621	\$ 67,002,818
Plan fiduciary net position	9,225,521	62,501,051	71,726,572	67,927,232
Net pension liability (asset)	\$ 2,282,732	\$ (4,098,683)	\$ (1,815,951)	\$ (924,414)

District's Proportionate Share of Pension Costs: The District's proportionate share of the Washington State DRS PERS Plans 1 and 2/3 employer contributions were as follows:

	Jun 30, 2023	Jun 30, 2022
PERS 1	0.253830%	0.261638%
PERS 2/3	0.325792%	0.339363%

The District's net pension liability is the District's proportionate share of pension costs multiplied by the Washington State DRS total net pension liability. As of December 31, 2023, the District's proportionate share of the Washington State Retirement System net pension liability was as follows:

(in thousands)	PERS 1	PERS 2/3	Dec 31, 2023	Dec 31, 2022
Total net pension liability (asset)	\$ 5,794	\$ (13,353)	\$ (7,559)	\$ (5,301)

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The District's proportion of the net pension liability was based on the contributions received by PERS during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERS participating employers as well as the statutorily required contributions required to fund the unfunded actuarial accrued liability.

For the year ended December 31, 2023, the District has elected to use regulatory accounting to recognize pension expense in conjunction with the required employer contribution rates and corresponding District contributions for PERS Plans 1 and 2/3. (See Note 6: Regulatory Assets.)

The District's actual annual contributions to the PERS retirement system were as follows as of year-end:

(in thousands)	2023	2022	2021
District contributions	\$ 4,748	\$ 4,440	\$ 4,897

At December 31, 2023, the District reported its combined proportionate share of pension costs recorded as deferred outflows of resources from the following sources:

(in thousands)	PERS 1	PERS 2/3	Dec 31, 2023
Differences between expected and actual economic experience	\$ -	\$ 2,720	\$ 2,720
Differences between projected and actual investment earnings	-	-	-
Changes in actuarial assumptions	-	5,606	5,606
Changes in proportion	-	566	566
Contributions paid to PERS subsequent to the measurement date	759	1,602	2,361
Total	\$ 759	\$ 10,494	\$ 11,253

Amounts reported as deferred outflows of resources are projected to be recognized as an addition of the regulatory asset as follows:

(in thousands)	PERS 1	PERS 2/3	Dec 31, 2023
2024	\$ 759	\$ 3,500	\$ 4,259
2025	-	1,868	1,868
2026	-	1,789	1,789
2027	-	1,661	1,661
2028	-	1,557	1,557
Thereafter	-	119	119
Total	\$ 759	\$ 10,494	\$ 11,253

At December 31, 2023, the District reported its combined proportionate share of pension costs recorded as deferred inflows of resources from the following sources:

(in thousands)	PERS 1	PERS 2/3	Dec 31, 2023
Differences between expected and actual economic experience	\$ -	\$ (149)	\$ (149)
Differences between projected and actual investment earnings	(654)	(5,032)	(5,686)
Changes in assumptions	-	(1,222)	(1,222)
Changes in proportion	-	(239)	(239)
Total	\$ (654)	\$ (6,642)	\$ (7,296)

Amounts reported as deferred inflows of resources are projected to be recognized as an addition/reduction of the regulatory asset as follows:

(in thousands)	PERS 1	PERS 2/3	Dec 31, 2023
2024	\$ (445)	\$ (4,303)	\$ (4,748)
2025	(559)	(4,730)	(5,289)
2026	345	2,447	2,792
2027	5	(56)	(51)
2028	-	-	-
Thereafter	-	-	-
Total	\$ (654)	\$ (6,642)	\$ (7,296)

Notes to Combined Financial Statements

Postemployment Benefits Other Than Pensions (OPEB)

By resolution, the District provides 100% employer-paid postretirement medical, vision and prescription benefits for qualified retired employees and their eligible dependents until age 65, known as the retiree medical plan (plan). Employees hired after August 13, 2013 must be at least 55 years old and have 20 years of service. As of December 31, 2023 there were 26 retirees participating in the plan and 425 active employees.

The plan is funded by the District on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust. The plan is accounted for under the requirements of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

For the year ended December 31, 2023, the District has elected to use regulatory accounting to recognize the changes in the OPEB liability and record the actual plan expenses each year. The changes in the OPEB liability are recognized as an addition to the regulatory OPEB expense. The District's actual annual OPEB expense was \$641,000 at year-end. (See Note 6: Regulatory Assets.)

Actuarial Assumptions and other inputs - OPEB: The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of pay for each year of employment between entry age (defined as age at hire) and assumed exit (until maximum retirement age). The portion of this actuarial present value allocated to a valuation year is called the normal cost.

The economic assumption for inflation is 2.75 percent. Projected payroll increases are assumed at a rate of 3.5 percent per year. The health cost trend rate is 5.5 percent trending down to 4.5 percent in 2028.

Demographic assumptions regarding retirement, withdrawal, and mortality are the rates applicable for PERS employees used in the June 30, 2021 actuarial valuation published by the Office of the State Actuary in Olympia, Washington.

The 3.72 percent discount rate assumption is the December 31, 2022 rate in the 20-Year General Obligation Municipal Bond Index published by Bond Buyer.

OPEB Liability Sensitivity: The following table reflects the impact of discount rate assumptions on the District's total OPEB liability.

(in thousands)	1% decrease	Current rate	1% increase
Healthcare cost trend rate	\$ 13,121	\$ 14,800	\$ 16,793
Discount rate	\$ 16,025	\$ 14,800	\$ 13,643

Changes in Total OPEB Liability: The Valuation Date is January 1, 2023. This is the date as of which the census data is gathered and the actuarial valuation is performed. The Measurement Date is December 31, 2022. This is the date as of which the total OPEB liability is determined. (See Note 5: Other Liabilities.)

The changes in the total OPEB liability for the measurement period ending December 31, 2022 are as follows:

(in thousands)	Increase (decrease) total OPEB liability
Balance as of Dec. 31, 2021	\$ 16,063
Changes for the year:	
Service cost	664
Interest on total OPEB liability	323
Effect of plan changes	-
Effect of economic/demographic gains or losses	783
Effect of assumptions changes or inputs	(2,263)
Expected benefit payments	(770)
Balance as of December 31, 2022	\$ 14,800

Deferred Outflows and Inflows of Resources: At December 31, 2023, the District reported deferred outflows and inflows of resources (See Note 6: Deferred Outflows and Inflows of Resources) from the following sources:

(in thousands)	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 1,322	\$ (561)
Changes of assumptions	556	(5,159)
Contributions subsequent to the measurement date	641	-
Total	\$ 2,519	\$ (5,720)

Amounts currently reported as deferred outflows and inflows of resources are projected to be recognized as an addition to the regulatory asset as follows:

For measurement period ending December 31 (in thousands)	
2023	\$ 401
2024	(239)
2025	(250)
2026	(295)
2027	(348)
Thereafter	(2,470)
Total	\$ (3,201)

Deferred Compensation

The District offers its employees deferred compensation plans created in accordance with Internal Revenue Code Sections 457 and 401(k), permitting employees to contribute and defer a portion of their current salaries up to defined limits. As defined in Section 457 of the IRS Code, the District has placed the 457 deferred compensation plan assets into trust for the exclusive benefit of plan participants and beneficiaries.

Note 9:

Refunded Bond Issues

As of December 31, 2023, the following revenue bond series have been extinguished through in-substance defeasance:

(in thousands)	Electric System	Generating System	Water System
Total	\$ -	\$ -	\$ 9,981

Debt service on refunded bonds is met by cash and investments held by the refunding trustees. The amounts held in trust are expected to fully fund debt service from principal and investment earnings. These refunded bonds constitute a contingent liability of the District only to the extent that cash and investments presently in the control of the refunding trustees are insufficient to meet debt service requirements. All refunded revenue bonds are excluded from the financial statements because the likelihood of additional funding requirements is considered remote.

Notes to Combined Financial Statements

Note 10:

Cash, Cash Equivalents and Sinking Funds

As of December 31, 2023, the District had the following cash, cash equivalents and investments at amortized cost:

Fair Value (in thousands)	2023	2022
State investment pool (LGIP)	\$ 344,109	\$ 387,382
Cash	61,900	54,559
Total cash, cash equivalents and sinking funds	\$ 406,009	\$ 441,941

It is the operating practice of the District to invest public funds in a manner that provides the highest invested return with the maximum security of invested funds. These principles are balanced against and conforming to all of Washington state statutes governing investment of public funds, meeting daily cash flow demands of the District and the management and oversight of investing public funds. The District considers all liquid investment securities to be cash equivalents, including sinking fund investments.

The Washington state investment pool (LGIP) is an unrated 2a-7-like pool, as defined by the Governmental Accounting Standards Board (GASB). The LGIP manages a portfolio of securities that meet maturity, quality, diversification and liquidity requirements set forth by GASB for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP funds are limited to high quality obligations with regulated maximum and average maturities to minimize both market and credit risk. Investments are reported on a trade date basis in accordance with generally accepted accounting principles (GAAP). The LGIP transacts with its participants as a stable net value per share of \$1.00, the same method used for reporting. Participants may contribute and withdraw funds on a daily basis. All participants are required to file with the State Treasurer documentation containing the names and titles of the officials authorized to contribute or withdraw funds. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

As of December 31, 2023, the state investment pool balance included the District bond reserve amount of \$38.9 million. (See Note 7: Current and Long-term Debt.)

Interest Rate Risk

The District's balances in the LGIP are not subject to interest rate risk, as the weighted average maturity of the portfolio will not exceed 90 days.

Credit Risk

As required by state law, all cash and investments of the District are invested in obligations of the U.S. Government and its agencies, the LGIP, or deposits with Washington state banks. The District's deposits in Washington state banks are entirely covered by federal depository insurance (FDIC) or collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission. The District's investments or deposits held by the LGIP are all classified as category 1 risk level investments. The LGIP investment portfolio is presented in the state of Washington's June 30, 2023 Annual Comprehensive Financial Report.

Note 11:

Conservation Funds

For many years, the District promoted energy conservation by providing loans and grants for weatherization, heat pump and market transformation programs. During 1999, a loan program began whereby the District provided conservation loans for up to seven years at 3.5 percent to 6.0 percent interest. Under this program, the total loan amount provided was \$0.6 million during 2023 and \$1.1 million in 2022. As of December 31, 2023 the District dissolved the loan program for new loans. Existing loans will continue to be serviced.

Note 12:

Subscription-Based Information Technology Arrangements

The District's SBITAs are primarily subscription software used throughout its Electric System operations. Total subscription assets and related accumulated amortization at December 31, 2023 are as follows:

(in thousands)	2023
SBITA assets	\$ 683
Accumulated amortization	-
Net SBITA assets	\$ 683

SBITA assets and liabilities are reported at present value using the District's incremental borrowing rate unless a discount rate is specified in the contract terms. Amortization is recorded on a yearly basis. Principal and interest requirements to maturity for SBITAs are as follows:

(in thousands)	Principal	Interest
2024	\$ 134	\$ 7
2025	128	13
2026	122	19
2027	116	25
Total	\$ 500	\$ 64

Note 13:

Subsequent Events

The following is determined to be classified as a subsequent event through the report date, which is the date the financial statements were issued.

Electric System Subordinate Lien Revenue Credit Agreement Note, 2024 (Taxable)

In January 2024, the District authorized and executed a Credit Agreement with Bank of America, N.A. ("Credit Bank"), for the purpose of providing collateral for counterparty exposure with the Electric System, if needed. The initial face amount approved by the Credit Bank is \$10 million, however, the District Resolution provides a maximum authorized not to exceed principal amount of \$20 million, subject to the conditions of the Resolution and the Credit Agreement with the Credit Bank. The Credit Bank would need to obtain credit approval for any increase in the face amount of the facility above \$10 million.

Required Supplementary Information

Public Utility District No. 1 of Clark County

Schedule of Proportionate Share of Net Pension Liability

Measurement date June 30

(in thousands, except percentages)

	2023	2022	2021	2020	2019
PERS 1					
Proportion of the net pension liability	0.253830%	0.261638%	0.269690%	0.260725%	0.272053%
Proportionate share of the net pension liability	\$ 5,794	\$ 7,285	\$ 3,293	\$ 9,205	\$ 10,461
Covered payroll PERS 1	\$ 84	\$ 85	\$ 64	\$ 302	\$ 410
Covered payroll PERS 2/3	45,038	42,421	41,264	38,790	37,220
Total covered payroll	\$ 45,122	\$ 42,506	\$ 41,328	\$ 39,092	\$ 37,630
Proportionate share of the net pension liability as a percentage of its covered payroll	12.8%	17.1%	8.0%	23.5%	27.8%
Plan fiduciary net position as a percentage of the total pension liability	80.2%	76.6%	88.7%	68.6%	67.1%
PERS 2/3					
Proportion of the net pension liability	0.325792%	0.339363%	0.344998%	0.332973%	0.342022%
Proportionate share of the net pension liability (asset)	\$ (13,353)	\$ (12,586)	\$ (34,367)	\$ 4,259	\$ 3,322
Covered payroll	\$ 45,038	\$ 42,421	\$ 41,264	\$ 38,790	\$ 37,220
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(29.6)%	(29.7)%	(83.3)%	11.0%	8.9%
Plan fiduciary net position as a percentage of the total pension liability	107.0%	106.7%	120.3%	97.2%	97.8%

Schedule of Contributions

As of December 31

(in thousands, except percentages)

	2023	2022	2021	2020	2019
PERS 1					
Contractually required contribution	\$ 1,586	\$ 1,702	\$ 1,828	\$ 1,917	\$ 1,944
Covered payroll	\$ 46,623	\$ 45,163	\$ 41,992	\$ 39,879	\$ 38,584
Contributions as a percentage of covered payroll	3.4%	3.8%	4.4%	4.8%	5.0%
PERS 2/3					
Contractually required contribution	\$ 2,963	\$ 2,866	\$ 3,021	\$ 3,153	\$ 2,937
Covered payroll	\$ 46,594	\$ 45,067	\$ 41,917	\$ 39,817	\$ 38,131
Contributions as a percentage of covered payroll	6.4%	6.4%	7.2%	7.9%	7.7%

Notes to RSI Schedules

1) Factors that significantly affect trends in the amounts reported in the schedule include changes in benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions such as the discount rate. DRS allocates a portion of contributions from PERS 2/3 to PERS 1 in order to fund its unfunded actuarially accrued liability (UAAL) pursuant to RCW 41.45.060.

2) The District's actual contributions represented in Note 8 are different from the amounts reflected in the schedule of contributions shown and are the result of payment timing differences and fees. Covered payroll is the payroll on which the contributions to a pension plan are based. Therefore, Plan 1 covered payroll also includes Plan 2/3 payroll in order to fund the Plan 1 UAAL.

Required Supplementary Information

Public Utility District No. 1 of Clark County

Schedule of Proportionate Share of Net Pension Liability - continued from previous page

Measurement date June 30

(in thousands, except percentages)

	2018	2017	2016	2015	2014
PERS 1					
Proportion of the net pension liability	0.278681%	0.283048%	0.295011%	0.307228%	0.292867%
Proportionate share of the net pension liability	\$ 12,446	\$ 13,431	\$ 15,843	\$ 16,071	\$ 14,753
Covered payroll PERS 1	\$ 490	\$ 333	\$ 382	\$ 472	\$ 694
Covered payroll PERS 2/3	35,871	34,926	34,306	34,149	30,800
Total covered payroll	\$ 36,361	\$ 35,259	\$ 34,688	\$ 34,621	\$ 31,494
Proportionate share of the net pension liability as a percentage of its covered payroll	34.2%	38.1%	45.7%	46.4%	46.8%
Plan fiduciary net position as a percentage of the total pension liability	63.2%	61.2%	57.0%	59.1%	61.2%
PERS 2/3					
Proportion of the net pension liability	0.346350%	0.356236%	0.368815%	0.384777%	0.359035%
Proportionate share of the net pension liability (asset)	\$ 5,914	\$ 12,377	\$ 18,570	\$ 13,748	\$ 7,258
Covered payroll	\$ 35,871	\$ 34,926	\$ 34,306	\$ 34,149	\$ 30,800
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	16.5%	35.4%	54.1%	40.3%	23.6%
Plan fiduciary net position as a percentage of the total pension liability	95.8%	91.0%	85.8%	89.2%	93.3%

Schedule of Contributions

As of December 31

(in thousands, except percentages)

	2018	2017	2016	2015	2014
PERS 1					
Contractually required contribution	\$ 1,901	\$ 1,791	\$ 1,676	\$ 1,509	\$ 1,343
Covered payroll	\$ 36,941	\$ 35,942	\$ 34,681	\$ 33,963	\$ 32,629
Contributions as a percentage of covered payroll	5.1%	5.0%	4.8%	4.4%	4.1%
PERS 2/3					
Contractually required contribution	\$ 2,739	\$ 2,419	\$ 2,139	\$ 1,886	\$ 1,603
Covered payroll	\$ 36,525	\$ 35,474	\$ 34,331	\$ 33,569	\$ 32,095
Contributions as a percentage of covered payroll	7.5%	6.8%	6.2%	5.6%	5.0%

Required Supplementary Information

Public Utility District No. 1 of Clark County

Schedule of Changes in Total OPEB Liability and Related Ratios

For measurement period ended December 31
(in thousands, except percentages)

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 663	\$ 878	\$ 838	\$ 1,015	\$ 958	\$ 870
Interest on total OPEB liability	323	313	406	772	603	631
Changes of benefit terms	-	-	-	-	-	-
Effect of economic/demographic gains (losses)	783	-	(724)	-	1,280	-
Effect of assumption changes or inputs	(2,263)	73	(3,688)	559	(452)	490
Expected benefit payments	(769)	(763)	(826)	(1,171)	(1,126)	(1,379)
Net change in total OPEB liability	\$ (1,263)	\$ 501	\$ (3,994)	\$ 1,175	\$ 1,263	\$ 612
Total OPEB liability, beginning	\$ 16,063	\$ 15,562	\$ 19,556	\$ 18,381	\$ 17,118	\$ 16,506
Total OPEB liability, ending	14,800	16,063	15,562	19,556	18,381	17,118
Covered employee payroll	\$ 43,122	\$ 41,674	\$ 40,265	\$ 38,704	\$ 37,074	\$ 36,009
Total OPEB liability as a percentage of covered employee payroll	34.32%	38.54%	38.65%	50.53%	49.58%	47.54%

Notes to RSI Schedules

- 1) There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.
- 2) There are no changes of benefit terms.
- 3) Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.
- 4) Covered employee payroll is provided from the actuarial report and determined as of the measurement date.

Bonds Maturity Schedules - Unaudited

Public Utility District No. 1 of Clark County

Electric System

In thousands, except for interest rates

Maturity Date	Series 2012		Series 2014		Series 2016		Series 2018		Series 2020		Series 2022		Total	Remaining Bonds Outstanding
	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate		
2024	\$ 4,675	5.000	\$ 1,405	5.000	\$ 7,525	5.000	\$ 1,310	5.000	\$ 1,355	5.000	\$ 1,600	5.000	\$ 17,870	\$ 220,135
2025	1,660	5.000	3,220	5.000	7,900	5.000	1,375	5.000	1,420	5.000	1,680	5.000	17,255	202,880
2026	1,740	5.000	3,380	5.000	8,300	5.000	1,445	5.000	1,490	5.000	1,765	5.000	18,120	184,760
2027	1,830	5.000	1,625	5.000	8,715	5.000	1,515	5.000	1,565	5.000	1,850	5.000	17,100	167,660
2028	1,920	3.250	1,705	5.000	6,175	5.000	1,590	5.000	1,645	5.000	1,945	5.000	14,980	152,680
2029	1,985	3.350	1,790	5.000	6,485	5.000	1,670	5.000	1,730	5.000	2,040	5.000	15,700	136,980
2030	2,050	3.400	1,880	5.000	3,660	5.000	1,755	5.000	1,815	5.000	2,140	5.000	13,300	123,680
2031	2,120	3.500	1,975	5.000	3,845	5.000	1,845	5.000	1,905	5.000	2,250	5.000	13,940	109,740
2032	1,845	3.500	2,070	5.000	2,220	5.000	1,935	5.000	2,000	5.000	2,360	5.000	12,430	97,310
2032	350	5.000	-	-	-	-	-	-	-	-	-	-	350	96,960
2033	2,275	4.000	2,175	5.000	2,335	5.000	2,030	5.000	2,100	5.000	2,480	5.000	13,395	83,565
2034			2,285	5.000	2,450	5.000	2,135	5.000	2,205	5.000	2,605	5.000	11,680	71,885
2035			2,400	5.000	2,575	5.000	2,240	5.000	2,315	5.000	2,735	5.000	12,265	59,620
2036					2,700	5.000	2,350	5.000	2,430	5.000	2,870	5.000	10,350	49,270
2037					2,835	5.000	2,470	5.000	2,550	5.000	3,015	5.000	10,870	38,400
2038							2,595	5.000	2,680	5.000	3,165	5.000	8,440	29,960
2039							2,720	5.000	2,815	5.000	3,325	5.000	8,860	21,100
2040									2,955	5.000	3,490	5.000	6,445	14,655
2041									3,100	5.000	3,665	5.000	6,765	7,890
2042											3,850	5.000	3,850	4,040
2043											4,040	5.000	4,040	-
Total	\$ 22,450		\$ 25,910		\$ 67,720		\$ 30,980		\$ 38,075		\$ 52,870		\$ 238,005	

Bonds Maturity Schedules - Unaudited

Public Utility District No. 1 of Clark County

Generating System

In thousands, except for interest rates

Maturity Date	Series 2012A		Series 2012B		Series 2016		Series 2018		Series 2022		Total	Remaining Bonds Outstanding
	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate		
2024	\$ -	-	\$ 1,425	3.143	\$ 14,870	5.000	\$ 2,860	5.000	\$ 3,535	5.000	\$ 22,690	\$ 61,395
2025	11,265	5.000	1,470	3.293	1,020	5.000	3,000	5.000	3,710	5.000	20,465	40,930
2026					1,070	5.000	3,150	5.000	3,900	5.000	8,120	32,810
2027					1,125	5.000			4,095	5.000	5,220	27,590
2028					1,180	5.000			4,300	5.000	5,480	22,110
2029					1,240	5.000			4,515	5.000	5,755	16,355
2030					1,305	5.000			4,740	5.000	6,045	10,310
2031					1,370	5.000					1,370	8,940
2032					1,435	5.000					1,435	7,505
2033					1,510	5.000					1,510	5,995
2034					1,585	5.000					1,585	4,410
2035					1,665	5.000					1,665	2,745
2036					1,745	5.000					1,745	1,000
2037					1,000	5.000					1,000	-
Total	\$ 11,265		\$ 2,895		\$ 32,120		\$ 9,010		\$ 28,795		\$ 84,085	

Bonds Maturity Schedules - Unaudited

Public Utility District No. 1 of Clark County

Water System

In thousands, except for interest rates

Maturity Date	Series 2014		Series 2017		Series 2019		Series 2021		Series 2023		Total	Remaining Bonds Outstanding
	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate	Principal Jan 1	Interest Rate		
2024	\$ 775	3.500	\$ 2,405	5.000	\$ 395	5.000	\$ 980	5.000	-	-	\$ 4,555	\$ 83,035
2025			2,515	5.000	415	5.000	440	5.000	\$ 1,655	5.000	5,025	78,010
2026			2,645	5.000	435	5.000	460	5.000	1,735	5.000	5,275	72,735
2027			2,775	5.000	455	5.000	485	5.000	1,820	5.000	5,535	67,200
2028			2,335	5.000	480	5.000	505	5.000	1,910	5.000	5,230	61,970
2029			2,455	5.000	500	5.000	535	5.000	2,005	5.000	5,495	56,475
2030			1,535	5.000	525	5.000	560	5.000	2,100	5.000	4,720	51,755
2031			930	5.000	555	5.000	585	5.000	2,210	5.000	4,280	47,475
2032			980	5.000	580	5.000	615	4.000	2,320	5.000	4,495	42,980
2033			1,025	5.000	610	5.000	640	4.000	2,435	5.000	4,710	38,270
2034			1,080	5.000	640	5.000	665	4.000	2,560	5.000	4,945	33,325
2035			1,135	5.000	670	5.000	695	4.000	1,495	5.000	3,995	29,330
2036			1,190	5.000	705	5.000	720	4.000	1,570	5.000	4,185	25,145
2037			1,250	5.000	740	5.000	750	4.000	1,650	5.000	4,390	20,755
2038					780	5.000	780	4.000	1,730	5.000	3,290	17,465
2039					815	5.000	810	4.000	1,815	5.000	3,440	14,025
2040					860	5.000	845	4.000	1,905	5.000	3,610	10,415
2041							875	4.000	2,000	5.000	2,875	7,540
2042							915	4.000	2,100	5.000	3,015	4,525
2043									2,205	5.000	2,205	2,320
2044									2,320	5.000	2,320	-
Total	\$ 775		\$ 24,255		\$ 10,160		\$ 12,860		\$ 39,540		\$ 87,590	

Selected Financial Data and Statistics - Unaudited

Public Utility District No. 1 of Clark County

Comparative Statements of Income from Electric System Operations (in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operating revenues	\$ 457,627	\$ 446,017	\$ 421,493	\$ 359,562	\$ 374,051	\$ 370,902	\$ 382,722	\$ 374,647	\$ 379,227	\$ 375,782
Operating expenses	454,812	417,818	373,018	340,118	352,844	343,936	344,539	339,617	342,301	346,815
Operating income	2,815	28,199	48,475	19,444	21,207	26,966	38,183	35,030	36,926	28,967
Non-operating revenues (expenses)	(1,384)	(6,665)	(12,460)	(12,803)	(10,964)	(12,054)	(12,699)	(15,701)	(14,553)	(14,006)
Net income (loss)	\$ 1,431	\$ 21,534	\$ 36,015	\$ 6,641	\$ 10,243	\$ 14,912	\$ 25,484	\$ 19,329	\$ 22,373	\$ 14,961

Electric System Statistics

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Electric energy delivered megawatt hours (in thousands)										
Residential	2,671	2,692	2,584	2,483	2,438	2,365	2,525	2,289	2,270	2,316
Commercial	1,342	1,358	1,312	1,237	1,312	1,310	1,335	1,292	1,287	1,289
Industrial	750	763	758	731	740	765	749	720	724	749
Off-system sales	585	720	677	727	699	796	593	907	1,033	901
Miscellaneous	23	21	21	23	25	25	29	28	29	27
Total	5,371	5,554	5,352	5,201	5,214	5,261	5,231	5,236	5,343	5,282

Average revenue per kwh (in cents)

Residential	9.25	9.22	9.24	9.25	9.26	9.27	9.17	9.25	9.24	9.21
Commercial	7.45	7.39	7.40	7.46	7.41	7.41	7.37	7.38	7.38	7.38
Industrial	5.57	5.56	5.56	5.57	5.56	5.56	5.57	5.57	5.58	5.58
Miscellaneous	15.15	15.54	14.82	14.20	14.21	14.10	12.15	13.68	13.51	13.59
Average - all classes	8.19	8.16	8.15	8.18	8.14	8.12	8.09	8.07	8.10	7.90

Average number of customers

Residential	213,069	207,817	203,039	197,577	193,221	188,131	183,880	180,241	176,605	174,379
Commercial	18,263	17,798	17,599	17,240	16,924	16,527	16,130	15,703	15,449	15,248
Industrial	31	28	28	29	29	29	29	29	29	29
Miscellaneous	1,587	1,580	1,555	1,545	1,530	1,524	1,484	1,448	1,465	1,471
Total - all classes	232,950	227,223	222,221	216,391	211,704	206,211	201,523	197,421	193,548	191,127

Average annual kwh used per customer

Residential	12,538	12,952	12,729	12,568	12,615	12,570	13,734	12,698	12,853	13,278
Commercial	73,466	76,316	74,531	71,746	77,518	79,272	82,764	82,263	83,333	84,532
Industrial	24,206,113	27,246,419	27,063,714	25,192,395	25,530,416	26,365,602	25,830,198	24,842,179	24,969,726	25,827,682
Miscellaneous	14,009	13,313	13,821	15,101	15,940	16,687	19,379	19,027	19,570	18,597

Selected Financial Data and Statistics - Unaudited

Public Utility District No. 1 of Clark County

Comparative Statements of Income from Water System Operations (in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operating revenues	\$ 21,431	\$ 22,302	\$ 22,462	\$ 20,991	\$ 19,430	\$ 20,966	\$ 18,685	\$ 17,389	\$ 17,471	\$ 15,697
Operating expenses	18,397	18,515	18,059	16,302	15,606	15,001	14,268	13,324	12,690	11,796
Operating income	3,034	3,787	4,403	4,689	3,824	5,965	4,417	4,065	4,781	3,901
Non-operating revenues (expenses)	(443)	(1,564)	(1,616)	(1,868)	(1,507)	(1,484)	(2,375)	(1,964)	(539)	(1,997)
Net income (loss)	\$ 2,591	\$ 2,223	\$ 2,787	\$ 2,821	\$ 2,317	\$ 4,481	\$ 2,042	\$ 2,101	\$ 4,242	\$ 1,904

Water System Statistics

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Cubic feet delivered (in thousands)										
Residential	473,418	433,378	467,058	416,535	390,893	412,919	382,318	357,535	382,190	350,868
Commercial	86,583	71,828	72,953	61,319	66,246	67,174	60,565	56,742	53,478	50,858
Miscellaneous	119,160	112,238	110,540	87,240	76,365	84,273	77,882	72,996	76,807	64,881
Total	679,161	617,444	650,551	565,094	533,504	564,366	520,765	487,273	512,475	466,607

Average revenue per cubic foot (in cents)

Residential	2.89	2.94	2.86	2.92	2.94	2.90	2.92	2.92	2.87	2.91
Commercial	2.84	2.86	2.83	2.87	2.81	2.83	2.78	2.75	2.74	2.78
Miscellaneous	2.75	2.75	2.71	2.75	2.73	2.73	2.72	2.70	2.70	2.68
Average - all classes	2.86	2.90	2.83	2.89	2.89	2.86	2.87	2.87	2.83	2.86

Average number of customers

Residential	37,960	37,172	36,278	35,271	34,376	33,373	32,276	31,384	30,673	30,091
Commercial	1,502	1,413	1,365	1,327	1,294	1,253	1,167	1,104	1,076	1,081
Miscellaneous	743	747	750	752	756	758	761	760	753	725
Total - all classes	40,205	39,332	38,393	37,350	36,426	35,384	34,204	33,248	32,502	31,897

Average annual cubic feet used per customer

Residential	12,471	11,659	12,874	11,810	11,371	12,373	11,845	11,392	12,460	11,660
Commercial	57,645	50,834	53,446	46,209	51,195	53,610	51,898	51,397	49,701	47,047
Miscellaneous	160,377	150,252	147,387	116,010	101,012	111,178	102,342	96,047	102,001	89,491