

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, 2025, 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, 2024, 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, 2025, 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, 2024, 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.

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.

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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.

Baker Tilly US, LLP

Portland, Oregon

May 11, 2026

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, 2025, with comparable information for 2024 and 2023. 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

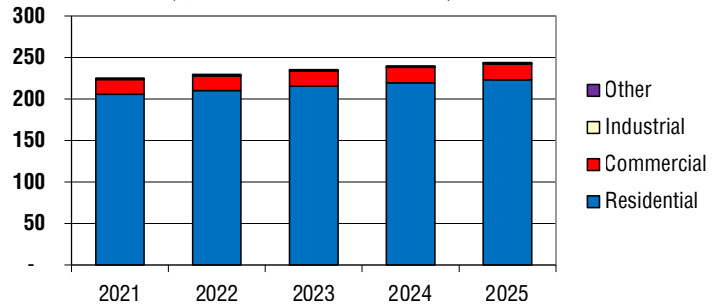
During 2025, the Electric System realized a net income before contributions of \$16.4 million. Factors influencing these results in 2025 include:

- Sales revenues decreased from \$486.6 million in 2024 to \$460.3 million in 2025 or 5.4 percent.
- Other operating revenues increased from \$12.9 million in 2024 to \$13.6 million in 2025 or 5.4 percent.
- Power supply expenses decreased from \$352.5 million in 2024 to \$302.9 million in 2025 or 14.1 percent.
- Operating and maintenance expenses increased from \$75.1 million in 2024 to \$81.0 million in 2025 or 7.9 percent.
- The River Road Generating Plant was shut down for annual maintenance for 2,651 hours in 2025, compared to 2,206 hours in 2024.
- The Board of Commissioners increased regulatory revenues by \$15 million to be used in future rate periods, \$9.4 million was allocated to the Resource Adequacy Fund and \$5.6 million was allocated for Generating System 2026 capital funding.

System Rates

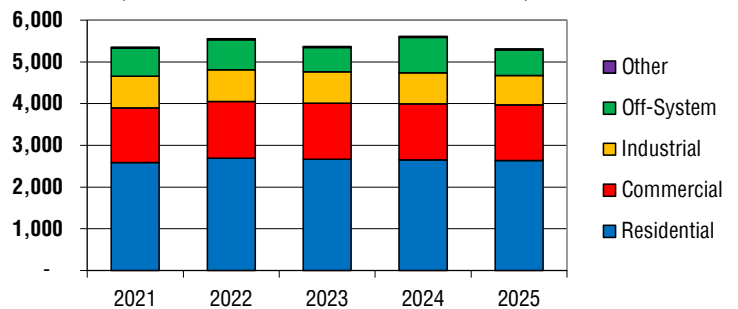
Electric System rates remained unchanged during 2025.

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 2025, the Electric System had contracts with Bonneville Power Administration (BPA), the Generating System, Eurus Combine Hills II LLC, Eurus Combine Hills I LLC, the Packwood Hydroelectric Project 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 that required hourly management of loads and resources. In October 2025, the contract with BPA was amended to a Load Following product in which BPA manages hourly loads. This contract expires September 2028. BPA energy includes renewable hydropower and nuclear power. The contract provides capacity and energy for the Electric System. 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)	2025	2024	2023
Operating revenues	\$ 473,880	\$ 499,494	\$ 457,627
Operating expenses	453,439	495,403	454,812
Operating income	20,441	4,091	2,815
Net income before contributions	16,409	1,008	1,431
Contributions in aid of construction	4,907	3,224	3,453
Total assets	\$ 985,901	\$ 975,372	\$ 891,090
Total deferred outflows of resources	17,920	16,112	13,030
Total assets and deferred outflows of resources	\$1,003,821	\$ 991,484	\$ 904,120
Total liabilities	\$ 408,510	\$ 449,494	\$ 362,067
Deferred inflows of resources	138,771	106,766	111,061
Net investment in capital assets	\$ 216,158	\$ 231,579	\$ 216,553
Restricted	35,521	34,393	33,772
Unrestricted	204,861	169,252	180,667
Total net position	\$ 456,540	\$ 435,224	\$ 430,992
Total liabilities, deferred inflows and net position	\$1,003,821	\$ 991,484	\$ 904,120
Change in net position	\$ 21,316	\$ 4,232	\$ 4,884

Capital Asset and Long-term Debt Activity

Total gross utility plant in service as of December 31, 2025, 2024 and 2023 consisted of the following:

(in thousands)	2025	2024	2023
Intangible plant	\$ 69,961	\$ 65,176	\$ 61,720
SBITA asset	683	683	683
Transmission and distribution	1,057,926	1,007,938	965,557
General plant	106,758	101,241	97,659
Total utility plant in service	\$ 1,235,328	\$1,175,038	\$1,125,619
Construction work in progress	16,604	9,186	18,080
Total gross utility plant	\$ 1,251,932	1,194,224	\$ 1,143,699

In 2025, the Electric System investment in gross utility plant increased by \$57.7 million. As of year-end, the Electric System had \$1.3 billion invested in gross utility plant. Utility plant net of depreciation was \$502.0 million, which represents an increase of \$16.4 million over 2024. Funds for capital construction are provided for through a combination of construction fees, cash flow from revenues and long-term revenue bonds.

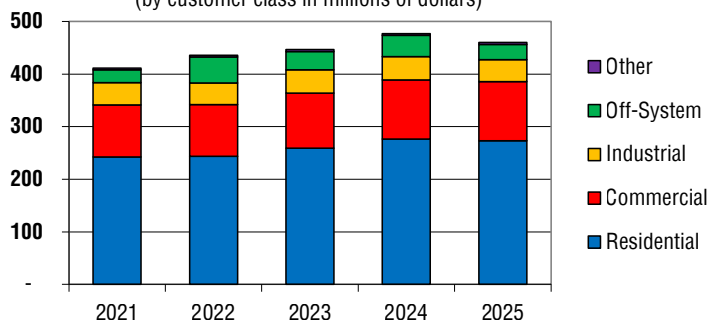
Total liabilities as of December 31, 2025, 2024 and 2023 consisted of the following:

(in thousands)	2025	2024	2023
Total current liabilities	\$ 107,908	\$ 107,732	\$ 96,374
Total non-current liabilities	281,293	305,162	245,053
Total other liabilities	19,309	36,600	20,640
Total liabilities	\$ 408,510	\$ 449,494	\$ 362,067

At year-end, the Electric System had \$274.1 million in revenue bonds outstanding, versus \$291.4 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. The plant is 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 (loss) was \$(0.3) million and \$20.9 million in 2025 and 2024, respectively.

Fuel Supply

The District's 2025 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 42,394 mmBtu per day through October 2025 and 40,394 mmBtu per day from November 2025 through October 2030.

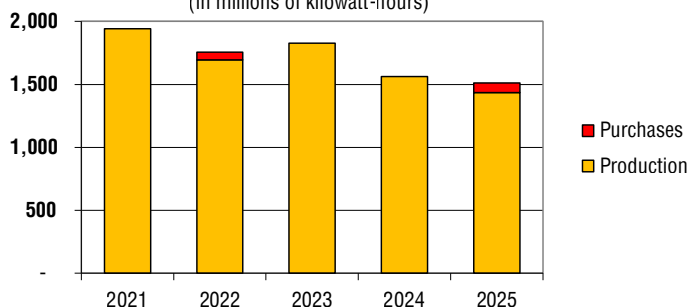
Operating Statistics

(in thousands, except hours and percentages)

	2025	2024	2023
Energy production (megawatt-hours)	1,435	1,562	1,829
Power purchased for displacement (mWh)	76	-	-
Total energy output (mWh)	1,511	1,562	1,829
Percent of Electric System			
energy purchases	28%	27%	33%
Fuel expense (less re-marketed fuel)	\$ 60,184	\$ 56,930	\$ 49,836
Production hours	6,109	6,578	7,561
Displacement hours	322	-	-
Unavailable hours	2,329	2,206	1,199
Total hours	8,760	8,784	8,760

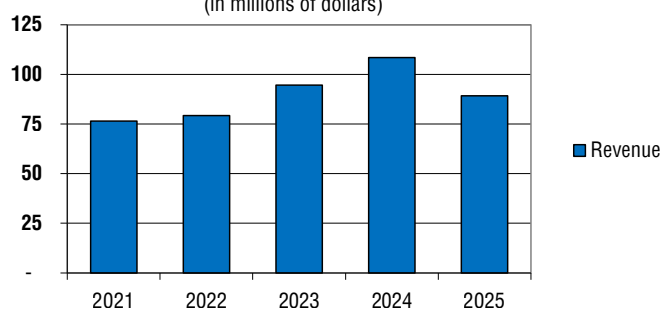
Generating System Output

(in millions of kilowatt-hours)



Generating System Revenue

(in millions of dollars)



Selected Financial Data

(in thousands)	2025	2024	2023
Operating revenue	\$ 89,259	\$ 108,480	\$ 94,692
Operating expenses	89,558	87,602	77,015
Operating income (loss)	(299)	20,878	17,677
Net income (loss)	(1,608)	17,908	14,138
Total assets	\$ 149,598	\$ 172,424	\$ 167,518
Total deferred outflows of resources	-	247	2,175
Total assets and deferred outflows of resources	\$ 149,598	\$ 172,671	\$ 169,693
Total liabilities	\$ 56,065	\$ 77,530	\$ 92,460
Net investment in capital assets	\$ 80,967	\$ 63,963	\$ 43,346
Restricted	4,093	9,897	9,897
Unrestricted	8,473	21,281	23,990
Total net position	\$ 93,533	\$ 95,141	\$ 77,233
Total liabilities and net position	\$ 149,598	\$ 172,671	\$ 169,693
Change in net position	\$ (1,608)	\$ 17,908	\$ 14,138

Capital Asset and Long-term Debt Activity

In 2025, the Generating System investment in gross utility plant increased by \$9.8 million in capital construction. As of year-end, the Generating System had \$381.5 million invested in gross utility plant. Utility plant net of depreciation was \$134.1 million, which represented a decrease of \$3.0 million from 2024. Funds for capital construction are provided for through long-term revenue bonds, line of credit, and transfers from the Electric System.

Total gross utility plant in service as of December 31, 2025, 2024 and 2023 consisted of the following:

(in thousands)	2025	2024	2023
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	325,988	323,963	303,834
Transmission and distribution	18,261	18,261	18,261
General plant	12,609	11,924	11,230
Allowance for funds used	8,316	8,316	8,316
Total utility plant in service	\$ 367,455	\$ 364,745	\$ 343,922
Construction work in progress	13,997	6,954	6,296
Total gross utility plant	\$ 381,452	\$ 371,699	\$ 350,218

Total liabilities as of December 31, 2025, 2024 and 2023 consisted of the following:

(in thousands)	2025	2024	2023
Total current liabilities	\$ 11,061	\$ 23,606	\$ 26,123
Total non-current liabilities	45,004	53,924	66,337
Total liabilities	\$ 56,065	\$ 77,530	\$ 92,460

At year-end, the Generating System had \$40.9 million in revenue bonds outstanding versus \$61.4 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.

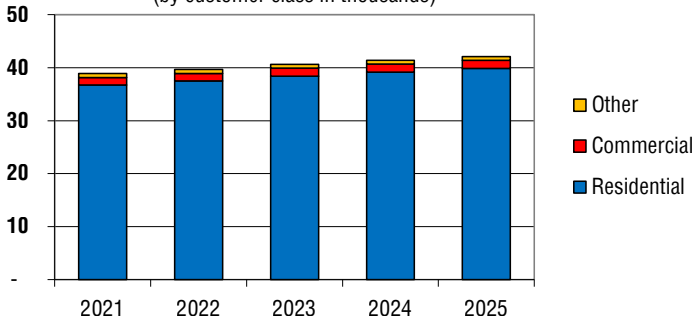
Financial Summary and Analysis

The Water System operating revenue decreased from \$23.4 million in 2024 to \$22.5 million in 2025 or 3.6 percent. The Water System realized a net income before contributions of \$0.2 million for 2025.

System Rates

Water System rates remained unchanged during 2025. In October 2025, the Board of Commissioners adopted new rates for all customer classes effective January 1, 2026 and January 1, 2027.

Water System Customers
(by customer class in thousands)

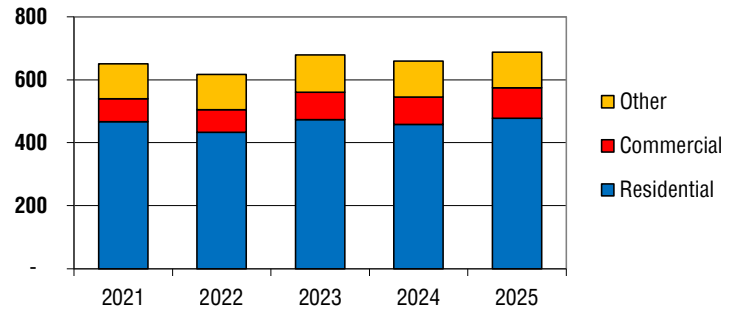


Selected Financial Data

(in thousands)	2025	2024	2023
Operating revenues	\$ 22,520	\$ 23,350	\$ 21,431
Operating expenses	20,769	20,080	18,397
Operating income	1,751	3,270	3,034
Net income (loss) before contributions	205	2,518	2,591
Contributions in aid of construction	3,584	3,817	4,108
Total assets	\$ 306,936	\$ 252,742	\$ 251,574
Total deferred outflows of resources	1,545	1,393	1,074
Total assets and deferred outflows of resources	\$ 308,481	\$ 254,135	\$ 252,648
Total liabilities	\$ 154,399	\$ 105,829	\$ 111,026
Deferred inflows of resources	12,692	10,705	10,356
Net investment in capital assets	\$ 103,534	\$ 103,584	\$ 100,986
Restricted	12,197	8,343	8,559
Unrestricted	25,659	25,674	21,721
Total net position	\$ 141,390	\$ 137,601	\$ 131,266
Total liabilities, deferred inflows and net position	\$ 308,481	\$ 254,135	\$ 252,648
Change in net position	\$ 3,789	\$ 6,335	\$ 6,699

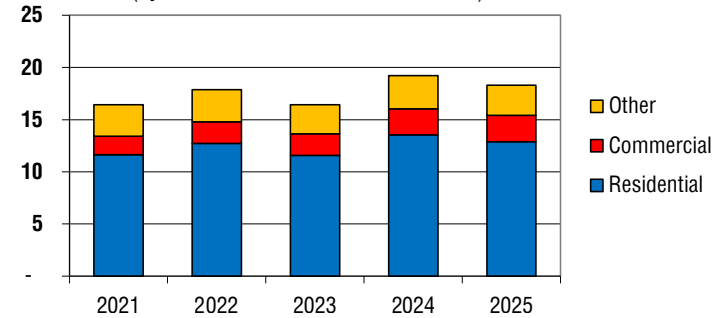
Water System Sales

(by customer class in thousands of cubic feet)



Water System Revenues

(by customer class in millions of dollars)



Capital Asset and Long-term Debt Activity

Total gross utility plant in service as of December 31, 2025, 2024 and 2023 consisted of the following:

(in thousands)	2025	2024	2023
Intangible plant	\$ 260	\$ 260	\$ 260
Source of supply	30,417	29,884	29,884
Pumping plant	21,989	20,948	20,004
Water treatment	5,789	5,789	5,789
Transmission and distribution	261,378	243,971	233,582
General plant	5,626	5,192	4,369
Total utility plant in service	325,459	306,044	293,888
Construction work in progress	16,075	16,003	8,675

Total gross utility plant \$ 341,534 \$ 322,047 \$ 302,563

In 2025, the Water System investment in gross utility plant increased by \$19.5 million. As of year-end, the Water System had \$341.5 million invested in gross utility plant. Utility plant net of depreciation was \$203.1 million, which represented an increase of \$10.7 million over 2024. 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, 2025, 2024 and 2023 consisted of the following:

(in thousands)	2025	2024	2023
Total current liabilities	\$ 12,474	\$ 11,775	\$ 10,164
Total non-current liabilities	139,783	91,968	99,199
Total other liabilities	2,142	2,086	1,663
Total liabilities	\$ 154,399	\$ 105,829	\$ 111,026

At year-end, the Water System had \$128.0 million in revenue bonds outstanding, versus \$83.0 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, 2025 and 2024 (in thousands)

	Electric System	Generating System	Water System	Total 2025	Total 2024
Operating revenues					
Sales	\$ 460,261	\$ 82,067	\$ 18,301	\$ 560,629	\$ 605,007
Other operating revenues	13,619	7,192	4,219	25,030	26,317
Total operating revenues	473,880	89,259	22,520	585,659	631,324
Operating expenses					
Power supply	302,867	-	-	302,867	352,471
Operation and maintenance expense	81,015	74,466	10,651	166,132	159,882
Depreciation and amortization expense	42,311	12,749	9,039	64,099	62,081
Taxes	27,246	2,343	1,079	30,668	28,651
Total operating expenses	453,439	89,558	20,769	563,766	603,085
Operating income (loss)	20,441	(299)	1,751	21,893	28,239
Non-operating revenues (expenses)					
Interest and investment revenue	12,412	663	1,565	14,640	14,602
Miscellaneous revenue	5,306	-	-	5,306	5,403
Amortization of debt	3,896	477	961	5,334	3,812
Interest expense	(13,799)	(2,449)	(4,072)	(20,320)	(19,229)
Miscellaneous expenses	(11,847)	-	-	(11,847)	(11,393)
Total non-operating revenues (expenses)	(4,032)	(1,309)	(1,546)	(6,887)	(6,805)
Net income (loss) before contributions	16,409	(1,608)	205	15,006	21,434
Contributions in aid of construction	4,907	-	3,584	8,491	7,041
Net increase (decrease) in net position	21,316	(1,608)	3,789	23,497	28,475
Total net position - beginning	435,224	95,141	137,601	667,966	639,491
Total net position - ending	\$ 456,540	\$ 93,533	\$ 141,390	\$ 691,463	\$ 667,966

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

December 31, 2025 and 2024 (in thousands)

	Electric System	Generating System	Water System	Total 2025	Total 2024
Assets					
Current assets:					
Cash and cash equivalents	\$ 375,115	\$ 14,490	\$ 100,024	\$ 489,629	\$ 446,299
Accounts receivable (net)	22,783	804	-	23,587	27,223
Accrued unbilled revenues	41,604	-	50	41,654	46,827
Materials and supplies	9,928	-	-	9,928	10,193
Prepayments and other assets	1,975	-	-	1,975	5,132
Total current assets	451,405	15,294	100,074	566,773	535,674
Utility plant:					
Plant in service	1,235,328	367,455	325,459	1,928,242	1,845,827
Construction work in progress	16,604	13,997	16,075	46,676	42,143
Total gross utility plant	1,251,932	381,452	341,534	1,974,918	1,887,970
Accumulated depreciation and amortization	(749,940)	(247,361)	(138,396)	(1,135,697)	(1,072,869)
Net utility plant	501,992	134,091	203,138	839,221	815,101
Regulatory and other assets	32,504	213	3,724	36,441	49,763
Total assets	985,901	149,598	306,936	1,442,435	1,400,538
Deferred outflows of resources	17,920	-	1,545	19,465	17,752
Total assets and deferred outflows	\$ 1,003,821	\$ 149,598	\$ 308,481	\$ 1,461,900	\$ 1,418,290

	Electric System	Generating System	Water System	Total 2025	Total 2024
Liabilities					
Current liabilities:					
Accounts payable	\$ 40,113	\$ 1,590	\$ 3,889	\$ 45,592	\$ 50,149
Accrued taxes and interest	20,395	1,351	2,192	23,938	23,362
Other accrued liabilities	27,400	-	-	27,400	25,688
Current maturities long-term debt	20,000	8,120	6,393	34,513	43,914
Total current liabilities	107,908	11,061	12,474	131,443	143,113
Long-term debt:					
Revenue bonds	254,115	32,810	122,680	409,605	393,055
Unamortized premium and discount	27,178	3,144	12,049	42,371	42,777
Other long-term debt	-	9,050	5,054	14,104	15,222
Total long-term debt	281,293	45,004	139,783	466,080	451,054
Other liabilities	19,309	-	2,142	21,451	38,686
Total liabilities	408,510	56,065	154,399	618,974	632,853
Deferred inflows of resources	138,771	-	12,692	151,463	117,471
Net position					
Net investment in capital assets	216,158	80,967	103,534	400,659	399,126
Restricted for:					
Debt service reserve	24,963	4,093	11,286	40,342	42,378
Net pension asset	10,558	-	911	11,469	10,255
Unrestricted	204,861	8,473	25,659	238,993	216,207
Total net position	456,540	93,533	141,390	691,463	667,966
Total liabilities, deferred inflows and net position	\$ 1,003,821	\$ 149,598	\$ 308,481	\$ 1,461,900	\$ 1,418,290

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, 2025 and 2024 (in thousands)

	Electric System	Generating System	Water System	Total 2025	Total 2024
Cash flows from operating activities:					
Receipts from customers	\$ 492,678	\$ 89,259	\$ 24,023	\$ 605,960	\$ 611,041
Payments to employees for services	(37,090)	-	-	(37,090)	(33,416)
Payments to suppliers for goods and services	(361,444)	(75,874)	(11,295)	(448,613)	(506,900)
Net cash from operating activities	94,144	13,385	12,728	120,257	70,725
Cash flows from investing activities:					
Utility plant additions, net of cost of removal and salvage	(53,780)	(9,754)	(16,197)	(79,731)	(86,900)
Interest received and other income (expense)	9,027	663	1,905	11,595	29,769
Net cash used by investing activities	(44,753)	(9,091)	(14,292)	(68,136)	(57,131)
Cash flows from capital financing activities:					
Borrowings from revenue bonds	-	-	49,945	49,945	108,635
Principal payments of revenue bonds	(17,255)	(20,465)	(5,025)	(42,745)	(82,515)
Other long-term debt	-	-	(1,169)	(1,169)	7,267
Acquisition of debt	-	-	4,959	4,959	12,628
Interest paid	(12,827)	(2,948)	(4,006)	(19,781)	(19,319)
Net cash from capital financing activities	(30,082)	(23,413)	44,704	(8,791)	26,696
Net increase (decrease) in cash and cash equivalents	19,309	(19,119)	43,140	43,330	40,290
Cash and cash equivalents at beginning of year	355,806	33,609	56,884	446,299	406,009
Cash and cash equivalents at end of year	\$ 375,115	\$ 14,490	\$ 100,024	\$ 489,629	\$ 446,299
Reconciliation of operating income to net cash from operating activities:					
Operating income (loss)	\$ 20,441	\$ (299)	\$ 1,751	\$ 21,893	\$ 28,239
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation and amortization	42,311	12,749	9,039	64,099	62,081
Change in assets and liabilities:					
Accounts receivable (net)	8,431	248	3	8,682	(9,563)
Other assets	13,960	387	(137)	14,210	(12,774)
Accounts payable and other accrued liabilities	(3,486)	300	434	(2,752)	14,628
Regulatory and other liabilities	12,487	-	1,638	14,125	(11,886)
Net cash from operating activities	\$ 94,144	\$ 13,385	\$ 12,728	\$ 120,257	\$ 70,725

Supplemental disclosure of cash flow information

Non-cash capital and related financing and investing activities:

Contributions in aid of construction of \$8,491 and \$7,041 in 2025 and 2024 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 and Water System customers are billed monthly. 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 \$5.0 million and \$5.8 million as of December 31, 2025 and 2024, 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 compensated absences and certain associated salary-related payments in accordance with GASB Statement No. 101. This statement requires that leave that has not yet been used or not yet paid out to be recognized as a liability. It also provides guidance on measuring the total liability for leave not yet used. Compensated absences are included in other accrued liabilities on the Combined Statements of Net Position. The compensated absences balance was \$27.0 million and \$25.3 million as of December 31, 2025 and 2024, 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 (asset) 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.

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 2025, with the remainder provided by the River Road Generating Plant, the Eurus Combine Hills II Project, the Eurus Combine Hills I Project, 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.

Notes to Combined Financial Statements

a) BPA Contracts

Effective October 2011, the District began taking deliveries under the Slice/Block power sales contract with BPA. In October 2025 the power sales contract was amended and the District began purchasing power from BPA as a Load Following customer. The amended BPA contract, which expires in September 2028, incorporates details of the District's purchase of the Slice/Block product prior to October 2025 and Load Following product beginning in October 2025, from the Federal power system. The amended contract provides the capacity and energy necessary to meet the District's load needs in excess of the capacity and energy provided by the District's River Road generating plant and contracted for non-federal 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 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 2025 or 2024. The District will not receive any credits for the remainder of the BPA power contract period and waived its rights to credits under the next BPA power contract.

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 2,651 hours in 2025 and 2,206 hours in 2024 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. In 2025, project output was sold into the market. During 2024, output from the project was brought to serve utility load through April. In May through December 2024 project output was sold into the market.

d) Combine Hills I 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 2024 with Eurus Combine Hills I LLC. Under the agreement, the District purchases the entire output of a 41-megawatt nameplate capacity wind project for a six-year term beginning in February 2024. The project began commercial operation in January 2006 and was sold to another counterparty through January 2024. During 2025, output from the project was brought to serve utility load or sold into the daily or hourly market depending on the District's daily and hourly resource needs. During 2024, output from the project was brought to serve utility load.

e) 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 and for Combine Hills I since February 1, 2024.

f) 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 2025, both parties exercised their option for renewal through September 2026.

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 42,394 mmBtu per day through October 2025 and 40,394 mmBtu per day from November 2025 through October 2030.

Power Supply Costs

For the years ended December 31
(in thousands)

	2025	2024
Bonneville Power Administration	\$ 94,251	\$ 95,240
From Generating System	82,067	99,220
Packwood	665	647
Market purchases	72,898	97,517
Wind	14,898	17,877
Transmission	30,533	31,733
Other production expense	7,555	10,237
Total power supply costs	\$ 302,867	\$ 352,471
Average power cost in mills/kWh	55.12	60.91

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, 2025 and 2024 consisted of the following:

(in thousands)	Balance		Retirements/ Reclassifications	Balance	
	Dec. 31, 2024	Additions/ Reclassifications		Dec. 31, 2025	Retirements/ Reclassifications
Intangible plant	\$ 65,176	\$ 4,785	\$ -	\$ 69,961	
SBITA asset (Note 11)	683	-	-	683	
Trans and distribution	1,007,938	51,596	1,608	1,057,926	
General plant	101,241	5,829	312	106,758	
Total plant in service	\$1,175,038	\$ 62,210	\$ 1,920	\$1,235,328	

(in thousands)	Balance		Retirements/ Reclassifications	Balance	
	Dec. 31, 2024	Additions/ Reclassifications		Dec. 31, 2025	Retirements/ Reclassifications
Intangible plant	\$ 1,394	\$ -	\$ -	\$ 1,394	
Source of supply	20	-	-	20	
Pumping plant	170	-	-	170	
Water treatment	697	-	-	697	
Production plant	323,963	2,025	-	325,988	
Trans and distribution	18,261	-	-	18,261	
General plant	11,924	685	-	12,609	
Allowance for funds used	8,316	-	-	8,316	
Total plant in service	\$ 364,745	\$ 2,710	\$ -	\$ 367,455	

(in thousands)	Balance		Retirements/ Reclassifications	Balance	
	Dec. 31, 2024	Additions/ Reclassifications		Dec. 31, 2025	Retirements/ Reclassifications
Intangible plant	\$ 260	\$ -	\$ -	\$ 260	
Source of supply	29,884	533	-	30,417	
Pumping plant	20,948	1,041	-	21,989	
Water treatment	5,789	-	-	5,789	
Trans and distribution	243,971	17,487	80	261,378	
General plant	5,192	646	212	5,626	
Total plant in service	\$ 306,044	\$ 19,707	\$ 292	\$ 325,459	

Note 5: Other Assets and Liabilities

Other Assets
Other assets as of December 31, 2025 and 2024 consisted of the following:

(in thousands)	Electric System	Generating System	Water System	December 31	
				2025	2024
Non-current conservation loans	\$ 568	\$ -	\$ -	\$ 568	\$ 984
Net pension asset	10,558	-	911	11,469	10,255
Total	\$ 11,126	\$ -	\$ 911	\$ 12,037	\$ 11,239

Other Liabilities
Other liabilities as of December 31, 2025 and 2024 consisted of the following:

(in thousands)	Electric System	Generating System	Water System	December 31	
				2025	2024
Net pension liability	\$ 2,522	\$ -	\$ 217	\$ 2,739	\$ 4,278
OPEB liability	15,401	-	1,321	16,722	15,802
SBITA liability (Note 11)	248	-	-	248	367
CCA allowance proceeds	-	-	-	-	16,954
Operation Warm Heart	830	-	-	830	767
Other	308	-	604	912	518
Total	\$ 19,309	\$ -	\$ 2,142	\$ 21,451	\$ 38,686

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.

During 2025 the revenue recognition criteria was met for 2024 Climate Commitment Act allowance proceeds of \$17.0 million. (See Note 6: Deferred Inflows of Resources.)

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, 2025 and 2024 consisted of the following:

(in thousands)	Electric System	Generating System	Water System	December 31	
				2025	2024
Reg power exp	\$ -	\$ -	\$ -	\$ -	\$ 13,173
Reg OPEB exp	17,035	-	1,461	18,496	18,367
Reg pension exp	2,667	-	230	2,897	4,001
Reg unamortized debt exp	1,676	213	1,122	3,011	2,983
Total	\$ 21,378	\$ 213	\$ 2,813	\$ 24,404	\$ 38,524

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, 2025 and 2024 consisted of the following:

(in thousands)	Electric System	Generating System	Water System	December 31	
				2025	2024
Unamortized loss on reacquired debt	\$ -	\$ -	\$ -	\$ -	\$ 433
OPEB costs	3,527	-	303	3,830	2,603
Pension costs	14,393	-	1,242	15,635	14,716
Total	\$ 17,920	\$ -	\$ 1,545	\$ 19,465	\$ 17,752

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, 2025 and 2024 consisted of the following:

(in thousands)	Electric System	Generating System	Water System	December 31	
				2025	2024
Reg revenue	\$ 106,615	\$ -	\$ 9,595	\$ 116,210	\$ 84,722
Reg liability	22,216	-	1,917	24,133	20,631
Unamortized gain on reacquired debt	1,900	-	488	2,388	2,888
OPEB costs	5,161	-	443	5,604	5,169
Pension costs	2,879	-	249	3,128	4,061
Total	\$ 138,771	\$ -	\$ 12,692	\$ 151,463	\$ 117,471

During 2025, Electric System regulatory revenues were applied to fund \$4.0 million to offset power supply costs due to market excursions, \$720,000 for limited income programs, and \$197,000 for the Community Grant Program. In 2025, the Board of Commissioners increased regulatory revenue in the Electric System by \$10.3 million to establish a Climate Commitment Act Assistance Fund, and \$6.7 million for use in the Resource Adequacy Fund. These funds originated from proceeds of Climate Commitment Act auctions during 2024. (See Note 5: Other Liabilities). At year-end 2025, the Board of Commissioners increased regulatory revenue \$15.0 million in the Electric System, and \$1.5 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, 2025, the following changes occurred in revenue bonds:

(in thousands)	Balance Dec 31, 2024	Additions	Reductions	Balance Dec 31, 2025	Amounts due within one year
2012 Revenue and Refunding Bonds	\$ 1,660	\$ -	\$ 1,660	\$ -	\$ -
2014 Revenue and Refunding Bonds	3,220	-	3,220	-	-
2016 Revenue and Refunding Bonds Due in annual installments of \$2,220 - \$8,715 through January 1, 2037; interest at 5.00%.	60,195	-	7,900	52,295	8,300
2018 Revenue Bonds Due in annual installments of \$1,445 - \$2,720 through January 1, 2039; interest at 5.00%.	29,670	-	1,375	28,295	1,445
2020 Revenue Bonds Due in annual installments of \$1,490 - \$3,100 through January 1, 2041; interest at 5.00%.	36,720	-	1,420	35,300	1,490
2022 Revenue Bonds Due in annual installments of \$1,765 - \$4,040 through January 1, 2043; interest at 5.00%.	51,270	-	1,680	49,590	1,765
2024 Revenue and Refunding Bonds Due in annual installments of \$3,690 - \$7,275 through January 1, 2045; interest at 5.00%.	108,635	-	-	108,635	7,000
Total Electric System Revenue Bonds	\$ 291,370	\$ -	\$ 17,255	\$ 274,115	\$ 20,000

Notes to Combined Financial Statements

Generating System

During the year ended December 31, 2025, the following changes occurred in revenue bonds:

(in thousands)	Balance Dec 31, 2024	Additions	Reductions	Balance Dec 31, 2025	Amounts due within one year
2012A Revenue and Refunding Bonds	\$ 11,265	\$ -	\$ 11,265	\$ -	\$ -
2012B Revenue Bonds	1,470	-	1,470	-	-
2016 Revenue and Refunding Bonds Due in annual installments of \$1,000 - \$1,745 through January 1, 2037; interest at 5.00%.	17,250	-	1,020	16,230	1,070
2018 Revenue Bonds Due in an annual installment of \$3,150 on January 1, 2026; interest at 5.00%.	6,150	-	3,000	3,150	3,150
2022 Revenue Bonds Due in annual installments of \$3,900 - \$4,740 through January 1, 2030; interest at 5.00%.	25,260	-	3,710	21,550	3,900
Total Generating System Revenue Bonds	\$ 61,395	\$ -	\$ 20,465	\$ 40,930	\$ 8,120

Notes to Combined Financial Statements

Water System

During the year ended December 31, 2025, the following changes occurred in revenue bonds:

(in thousands)	Balance Dec 31, 2024	Additions	Reductions	Balance Dec 31, 2025	Amounts due within one year
2017 Revenue and Refunding Bonds Due in annual installments of \$930 - \$2,775 through January 1, 2037; interest at 5.00%.	\$ 21,850	\$ -	\$ 2,515	\$ 19,335	\$ 2,645
2019 Revenue Bonds Due in annual installments of \$435 - \$860 through January 1, 2040; interest at 5.00%.	9,765	-	415	9,350	435
2021 Revenue and Refunding Bonds Due in annual installments of \$460 - \$915 through January 1, 2042; interest at 4.00% - 5.00%.	11,880	-	440	11,440	460
2023 Revenue and Refunding Bonds Due in annual installments of \$1,495 - \$2,560 through January 1, 2044; interest at 5.00%.	39,540	-	1,655	37,885	1,735
2025 Revenue Bonds Due in annual installments of \$1,330 - \$3,830 through January 1, 2046; interest at 5.00%.	-	49,945	-	49,945	-
Total Water System Revenue Bonds	\$ 83,035	\$ 49,945	\$ 5,025	\$ 127,955	\$ 5,275

During 2025, the District issued Water System Revenue Bonds, Series 2025 in the amount of \$49.9 million. The bonds provided funds for capital construction requirements and funded the reserve account requirements for the 2025 issuance. 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
2026	\$ 12,706	\$ 19,080	\$ 31,786	\$ 1,641	\$ 5,220	\$ 6,861	\$ 6,051	\$ 6,865	\$ 12,916
2027	11,752	17,050	28,802	1,380	5,480	6,860	5,708	6,820	12,528
2028	10,899	17,915	28,814	1,105	5,755	6,860	5,367	7,165	12,532
2029	10,004	15,655	25,659	818	6,045	6,863	5,008	6,475	11,483
2030	9,221	16,450	25,671	516	1,370	1,886	4,685	6,125	10,810
2031-2035	34,215	76,005	110,220	1,480	7,940	9,420	18,639	33,020	51,659
2036-2040	16,307	62,770	79,077	50	1,000	1,050	10,687	31,255	41,942
2041-2045	3,324	29,190	32,514	-	-	-	3,407	24,955	28,362

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, 2025, the debt service reserve accounts are fully cash funded.

Debt service reserve accounts as of December 31, 2025 and 2024 were as follows:

(in thousands)	Electric System	Generating System	Water System	December 31	
				2025	2024
Cash deposits	\$ 24,963	\$ 4,093	\$ 11,286	\$ 40,342	\$ 42,378

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.

The subordinate lien revenue line of credit notes for each of the systems are with Bank of America, N.A. 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 \$9.1 million at December 31, 2025 and 2024.

The District has an Electric System subordinate lien revenue credit agreement note with Bank of America, N.A. in the amount of \$10 million for the purpose of providing collateral for counterparty exposure with the Electric System, if needed. There is no amount outstanding on the Credit Agreement Note which matures July 1, 2026.

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, 2025				\$ 6,172
2026	\$ 50	\$ 1,118	\$ 1,168	5,054
2027	42	845	887	4,209
2028	36	845	881	3,364
2029	30	845	875	2,519
2030	24	845	869	1,674
2031-2034	42	1,674	1,716	-

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. At year-end all eligible active employees are Plan 2 or Plan 3 participants.

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 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. 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, 2025, are as follows:

	PERS 2	PERS 3
Employer	5.58%	5.58%
Employee	5.38%	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 2024 with a valuation date of June 30, 2024. 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 2023 Economic Experience Study.

Additional assumptions for the subsequent events and law changes are current as of the 2024 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2025. Plan liabilities were rolled forward from June 30, 2024 to June 30, 2025, 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, 2024 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 their 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, 2025. The inflation component used to create the table is 2.50 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	19%	2.10%
Tangible assets	8%	4.50%
Real estate	18%	4.80%
Global equity	30%	5.60%
Private equity	25%	8.60%

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)	\$ 4,622	\$ 2,739	\$ 1,088
Proportionate share of the PERS Plan 2/3 net pension liability (asset)	\$ 18,611	\$ (11,469)	\$ (36,173)

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 2025 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 2025 and 2024.

Washington State Retirement System Pension Costs: As of June 30, 2025, 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, 2025	Jun 30, 2024
Total pension liability	\$ 10,789,754	\$ 69,023,154	\$ 79,812,908	\$ 74,856,994
Plan fiduciary net position	9,610,758	72,839,330	82,450,088	76,376,729
Net pension liability (asset)	\$ 1,178,996	\$ (3,816,176)	\$ (2,637,180)	\$ (1,519,735)

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, 2025	Jun 30, 2024
PERS 1	0.232328%	0.240811%
PERS 2/3	0.300534%	0.311085%

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, 2025, 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, 2025	Dec 31, 2024
Total net pension liability (asset)	\$ 2,739	\$ (11,469)	\$ (8,730)	\$ (5,977)

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. 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, 2024 through June 30, 2025, 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, 2025, 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)	2025	2024	2023
District contributions	\$ 3,856	\$ 4,589	\$ 4,748

At December 31, 2025, 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, 2025
Differences between expected and actual economic experience	\$ -	\$ 8,385	\$ 8,385
Differences between projected and actual investment earnings	-	-	-
Changes in actuarial assumptions	-	4,432	4,432
Changes in proportion	-	1,364	1,364
Contributions paid to PERS subsequent to the measurement date	31	1,423	1,454
Total	\$ 31	\$ 15,604	\$ 15,635

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, 2025
2026	\$ 31	\$ 4,828	\$ 4,859
2027	-	3,288	3,288
2028	-	3,189	3,189
2029	-	1,861	1,861
2030	-	1,651	1,651
Thereafter	-	787	787
Total	\$ 31	\$ 15,604	\$ 15,635

At December 31, 2025, 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, 2025
Differences between expected and actual economic experience	\$ -	\$ -	\$ -
Differences between projected and actual investment earnings	(189)	(2,583)	(2,772)
Changes in assumptions	-	(316)	(316)
Changes in proportion	-	(40)	(40)
Total	\$ (189)	\$ (2,939)	\$ (3,128)

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, 2025
2026	\$ 179	\$ 880	\$ 1,059
2027	(131)	(1,426)	(1,557)
2028	(136)	(1,375)	(1,511)
2029	(101)	(1,018)	(1,119)
2030	-	-	-
Thereafter	-	-	-
Total	\$ (189)	\$ (2,939)	\$ (3,128)

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, 2025 there were 35 retirees participating in the plan and 406 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, 2025, 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 \$700,000 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 5.0 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, 2023 actuarial valuation published by the Office of the State Actuary in Olympia, Washington.

The 4.08 percent discount rate assumption is the December 31, 2024 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	\$ 14,914	\$ 16,722	\$ 18,858
Discount rate	\$ 18,070	\$ 16,722	\$ 15,450

Changes in Total OPEB Liability: The Valuation Date is January 1, 2025. This is the date as of which the census data is gathered and the actuarial valuation is performed. The Measurement Date is December 31, 2024. 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, 2024 are as follows:

(in thousands)	Increase (decrease) total OPEB liability
Balance as of Dec. 31, 2023	\$ 15,802
Changes for the year:	
Service cost	696
Interest on total OPEB liability	503
Effect of plan changes	-
Effect of economic/demographic gains or losses	1,517
Effect of assumptions changes or inputs	(1,065)
Expected benefit payments	(731)
Balance as of December 31, 2024	\$ 16,722

Deferred Outflows and Inflows of Resources: At December 31, 2025, 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	\$ 2,336	\$ (452)
Changes of assumptions	794	(5,152)
Contributions subsequent to the measurement date	700	-
Total	\$ 3,830	\$ (5,604)

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)	
2025	\$ 525
2026	(220)
2027	(272)
2028	(308)
2029	(357)
Thereafter	(1,142)
Total	\$ (1,774)

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.

Notes to Combined Financial Statements

Note 9:

Refunded Bond Issues

(in thousands)	Electric System	Generating System	Water System	December 31	
				2025	2024
Cash deposits	\$ -	\$ -	\$ -	\$ -	\$ 37,765

Debt service on retired 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. As of December 31, 2025, all debt service has been satisfied on revenue bond series that were extinguished through in-substance defeasance.

Note 10:

Cash, Cash Equivalents and Sinking Funds

As of December 31, 2025, the District had the following cash, cash equivalents and investments at amortized cost:

Fair Value (in thousands)	2025	2024
State investment pool (LGIP)	\$ 438,476	\$ 385,516
Cash	51,153	60,783
Total cash, cash equivalents and sinking funds	\$ 489,629	\$ 446,299

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.

The state investment pool balance included the restricted District bond reserve amounts of \$40.3 million and \$42.4 million as of December 31, 2025 and 2024 respectively. (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, 2025 Annual Comprehensive Financial Report.

Note 11:

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, 2025 are as follows:

(in thousands)	2025
SBITA assets	\$ 683
Accumulated amortization	(247)
Net SBITA assets	\$ 436

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
2026	\$ 132	\$ 19
2027	116	25
Total	\$ 248	\$ 44

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)

	2025	2024	2023	2022	2021
PERS 1					
Proportion of the net pension liability	0.232328%	0.240811%	0.253830%	0.261638%	0.269690%
Proportionate share of the net pension liability	\$ 2,739	\$ 4,279	\$ 5,794	\$ 7,285	\$ 3,293
Covered payroll PERS 1	\$ -	\$ -	\$ 84	\$ 85	\$ 64
Covered payroll PERS 2/3	50,431	51,623	45,038	42,421	41,264
Total covered payroll	\$ 50,431	\$ 51,623	\$ 45,122	\$ 42,506	\$ 41,328
Proportionate share of the net pension liability as a percentage of its covered payroll	5.4%	8.3%	12.8%	17.1%	8.0%
Plan fiduciary net position as a percentage of the total pension liability	89.1%	84.1%	80.2%	76.6%	88.7%
PERS 2/3					
Proportion of the net pension liability	0.300534%	0.311085%	0.325792%	0.339363%	0.344998%
Proportionate share of the net pension liability (asset)	\$ (11,469)	\$ (10,255)	\$ (13,353)	\$ (12,586)	\$ (34,367)
Covered payroll	\$ 50,431	\$ 51,623	\$ 45,038	\$ 42,421	\$ 41,264
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(22.7)%	(19.9)%	(29.6)%	(29.7)%	(83.3)%
Plan fiduciary net position as a percentage of the total pension liability	105.5%	105.2%	107.0%	106.7%	120.3%

Schedule of Contributions

As of December 31

(in thousands, except percentages)

	2025	2024	2023	2022	2021
PERS 1					
Contractually required contribution	\$ 687	\$ 1,407	\$ 1,586	\$ 1,702	\$ 1,828
Covered payroll	\$ 52,167	\$ 50,939	\$ 46,623	\$ 45,163	\$ 41,992
Contributions as a percentage of covered payroll	1.3%	2.8%	3.4%	3.8%	4.4%
PERS 2/3					
Contractually required contribution	\$ 3,064	\$ 3,241	\$ 2,963	\$ 2,866	\$ 3,021
Covered payroll	\$ 52,167	\$ 50,939	\$ 46,594	\$ 45,067	\$ 41,917
Contributions as a percentage of covered payroll	5.9%	6.4%	6.4%	6.4%	7.2%

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)

	2020	2019	2018	2017	2016
PERS 1					
Proportion of the net pension liability	0.260725%	0.272053%	0.278681%	0.283048%	0.295011%
Proportionate share of the net pension liability	\$ 9,205	\$ 10,461	\$ 12,446	\$ 13,431	\$ 15,843
Covered payroll PERS 1	\$ 302	\$ 410	\$ 490	\$ 333	\$ 382
Covered payroll PERS 2/3	38,790	37,220	35,871	34,926	34,306
Total covered payroll	\$ 39,092	\$ 37,630	\$ 36,361	\$ 35,259	\$ 34,688
Proportionate share of the net pension liability as a percentage of its covered payroll	23.5%	27.8%	34.2%	38.1%	45.7%
Plan fiduciary net position as a percentage of the total pension liability	68.6%	67.1%	63.2%	61.2%	57.0%
PERS 2/3					
Proportion of the net pension liability	0.332973%	0.342022%	0.346350%	0.356236%	0.368815%
Proportionate share of the net pension liability (asset)	\$ 4,259	\$ 3,322	\$ 5,914	\$ 12,377	\$ 18,570
Covered payroll	\$ 38,790	\$ 37,220	\$ 35,871	\$ 34,926	\$ 34,306
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	11.0%	8.9%	16.5%	35.4%	54.1%
Plan fiduciary net position as a percentage of the total pension liability	97.2%	97.8%	95.8%	91.0%	85.8%

Schedule of Contributions

As of December 31

(in thousands, except percentages)

	2020	2019	2018	2017	2016
PERS 1					
Contractually required contribution	\$ 1,917	\$ 1,944	\$ 1,901	\$ 1,791	\$ 1,676
Covered payroll	\$ 39,879	\$ 38,584	\$ 36,941	\$ 35,942	\$ 34,681
Contributions as a percentage of covered payroll	4.8%	5.0%	5.1%	5.0%	4.8%
PERS 2/3					
Contractually required contribution	\$ 3,153	\$ 2,937	\$ 2,739	\$ 2,419	\$ 2,139
Covered Payroll	\$ 39,817	\$ 38,131	\$ 36,525	\$ 35,474	\$ 34,331
Contributions as a percentage of covered payroll	7.9%	7.7%	7.5%	6.8%	6.2%

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)

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	\$ 696	\$ 751	\$ 663	\$ 878	\$ 838	\$ 1,015	\$ 958	\$ 870
Interest on total OPEB liability	503	535	323	313	406	772	603	631
Changes of benefit terms	-	-	-	-	-	-	-	-
Effect of economic/demographic gains (losses)	1,517	-	783	-	(724)	-	1,280	-
Effect of assumption changes or inputs	(1,065)	556	(2,263)	73	(3,688)	559	(452)	490
Expected benefit payments	(731)	(840)	(769)	(763)	(826)	(1,171)	(1,126)	(1,379)
Net change in total OPEB liability	\$ 920	\$ 1,002	\$ (1,263)	\$ 501	\$ (3,994)	\$ 1,175	\$ 1,263	\$ 612
Total OPEB liability, beginning	\$ 15,802	\$ 14,800	\$ 16,063	\$ 15,562	\$ 19,556	\$ 18,381	\$ 17,118	\$ 16,506
Total OPEB liability, ending	16,722	15,802	14,800	16,063	15,562	19,556	18,381	17,118
Covered employee payroll	\$ 49,616	\$ 46,663	\$ 43,122	\$ 41,674	\$ 40,265	\$ 38,704	\$ 37,074	\$ 36,009
Total OPEB liability as a percentage of covered employee payroll	33.70%	33.86%	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 2016		Series 2018		Series 2020		Series 2022		Series 2024		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		
2026	\$ 8,300	5.000	\$ 1,445	5.000	\$ 1,490	5.000	\$ 1,765	5.000	\$ 7,000	5.000	\$ 20,000	\$ 254,115
2027	8,715	5.000	1,515	5.000	1,565	5.000	1,850	5.000	5,435	5.000	19,080	235,035
2028	6,175	5.000	1,590	5.000	1,645	5.000	1,945	5.000	5,695	5.000	17,050	217,985
2029	6,485	5.000	1,670	5.000	1,730	5.000	2,040	5.000	5,990	5.000	17,915	200,070
2030	3,660	5.000	1,755	5.000	1,815	5.000	2,140	5.000	6,285	5.000	15,655	184,415
2031	3,845	5.000	1,845	5.000	1,905	5.000	2,250	5.000	6,605	5.000	16,450	167,965
2032	2,220	5.000	1,935	5.000	2,000	5.000	2,360	5.000	6,930	5.000	15,445	152,520
2033	2,335	5.000	2,030	5.000	2,100	5.000	2,480	5.000	7,275	5.000	16,220	136,300
2034	2,450	5.000	2,135	5.000	2,205	5.000	2,605	5.000	5,385	5.000	14,780	121,520
2035	2,575	5.000	2,240	5.000	2,315	5.000	2,735	5.000	5,655	5.000	15,520	106,000
2036	2,700	5.000	2,350	5.000	2,430	5.000	2,870	5.000	3,690	5.000	14,040	91,960
2037	2,835	5.000	2,470	5.000	2,550	5.000	3,015	5.000	3,870	5.000	14,740	77,220
2038			2,595	5.000	2,680	5.000	3,165	5.000	4,065	5.000	12,505	64,715
2039			2,720	5.000	2,815	5.000	3,325	5.000	4,270	5.000	13,130	51,585
2040					2,955	5.000	3,490	5.000	4,480	5.000	10,925	40,660
2041					3,100	5.000	3,665	5.000	4,705	5.000	11,470	29,190
2042							3,850	5.000	4,940	5.000	8,790	20,400
2043							4,040	5.000	5,190	5.000	9,230	11,170
2044									5,450	5.000	5,450	5,720
2045									5,720	5.000	5,720	-
Total	\$ 52,295		\$28,295		\$ 35,300		\$ 49,590		\$ 108,635		\$ 274,115	

Bonds Maturity Schedules - Unaudited

Public Utility District No. 1 of Clark County

Generating System

In thousands, except for interest rates

Maturity Date	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		
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	\$ 16,230		\$ 3,150		\$ 21,550		\$ 40,930	

Bonds Maturity Schedules - Unaudited

Public Utility District No. 1 of Clark County

Water System

In thousands, except for interest rates

Maturity Date	Series 2017		Series 2019		Series 2021		Series 2023		Series 2025		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		
2026	\$ 2,645	5.000	\$ 435	5.000	\$ 460	5.000	\$ 1,735	5.000	-	-	\$ 5,275	\$122,680
2027	2,775	5.000	455	5.000	485	5.000	1,820	5.000	\$ 1,330	5.000	6,865	115,815
2028	2,335	5.000	480	5.000	505	5.000	1,910	5.000	1,590	5.000	6,820	108,995
2029	2,455	5.000	500	5.000	535	5.000	2,005	5.000	1,670	5.000	7,165	101,830
2030	1,535	5.000	525	5.000	560	5.000	2,100	5.000	1,755	5.000	6,475	95,355
2031	930	5.000	555	5.000	585	5.000	2,210	5.000	1,845	5.000	6,125	89,230
2032	980	5.000	580	5.000	615	4.000	2,320	5.000	1,935	5.000	6,430	82,800
2033	1,025	5.000	610	5.000	640	4.000	2,435	5.000	2,030	5.000	6,740	76,060
2034	1,080	5.000	640	5.000	665	4.000	2,560	5.000	2,135	5.000	7,080	68,980
2035	1,135	5.000	670	5.000	695	4.000	1,495	5.000	2,240	5.000	6,235	62,745
2036	1,190	5.000	705	5.000	720	4.000	1,570	5.000	2,350	5.000	6,535	56,210
2037	1,250	5.000	740	5.000	750	4.000	1,650	5.000	2,470	5.000	6,860	49,350
2038			780	5.000	780	4.000	1,730	5.000	2,595	5.000	5,885	43,465
2039			815	5.000	810	4.000	1,815	5.000	2,725	5.000	6,165	37,300
2040			860	5.000	845	4.000	1,905	5.000	2,860	5.000	6,470	30,830
2041					875	4.000	2,000	5.000	3,000	5.000	5,875	24,955
2042					915	4.000	2,100	5.000	3,150	5.000	6,165	18,790
2043							2,205	5.000	3,310	5.000	5,515	13,275
2044							2,320	5.000	3,475	5.000	5,795	7,480
2045									3,650	5.000	3,650	3,830
2046									3,830	5.000	3,830	-
Total	\$ 19,335		\$ 9,350		\$ 11,440		\$ 37,885		\$ 49,945		\$ 127,955	

Selected Financial Data and Statistics - Unaudited

Public Utility District No. 1 of Clark County

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating revenues	\$ 473,880	\$ 499,494	\$ 457,627	\$ 446,017	\$ 421,493	\$ 359,562	\$ 374,051	\$ 370,902	\$ 382,722	\$ 374,647
Operating expenses	453,439	495,403	454,812	417,818	373,018	340,118	352,844	343,936	344,539	339,617
Operating income	20,441	4,091	2,815	28,199	48,475	19,444	21,207	26,966	38,183	35,030
Non-operating revenues (expenses)	(4,032)	(3,083)	(1,384)	(6,665)	(12,460)	(12,803)	(10,964)	(12,054)	(12,699)	(15,701)
Net income (loss)	\$ 16,409	\$ 1,008	\$ 1,431	\$ 21,534	\$ 36,015	\$ 6,641	\$ 10,243	\$ 14,912	\$ 25,484	\$ 19,329

Electric System Statistics

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Electric energy delivered megawatt hours (in thousands)										
Residential	2,633	2,653	2,671	2,692	2,584	2,483	2,438	2,365	2,525	2,289
Commercial	1,335	1,344	1,342	1,358	1,312	1,237	1,312	1,310	1,335	1,292
Industrial	703	738	750	763	758	731	740	765	749	720
Off-system sales	618	854	585	720	677	727	699	796	593	907
Miscellaneous	25	22	23	21	21	23	25	25	29	28
Total	5,314	5,611	5,371	5,554	5,352	5,201	5,214	5,261	5,231	5,236

Average revenue per kWh (in cents)

Residential	10.63	10.41	9.25	9.22	9.24	9.25	9.26	9.27	9.17	9.25
Commercial	8.62	8.38	7.45	7.39	7.40	7.46	7.41	7.41	7.37	7.38
Industrial	6.11	6.04	5.57	5.56	5.56	5.57	5.56	5.56	5.57	5.57
Miscellaneous	16.13	16.82	15.15	15.54	14.82	14.20	14.21	14.10	12.15	13.68
Average - all classes	9.41	9.19	8.19	8.16	8.15	8.18	8.14	8.12	8.09	8.07

Average number of customers

Residential	221,439	217,653	213,069	207,817	203,039	197,577	193,221	188,131	183,880	180,241
Commercial	18,943	18,670	18,263	17,798	17,599	17,240	16,924	16,527	16,130	15,703
Industrial	30	31	31	28	28	29	29	29	29	29
Miscellaneous	1,631	1,611	1,587	1,580	1,555	1,545	1,530	1,524	1,484	1,448
Total - all classes	242,043	237,965	232,950	227,223	222,221	216,391	211,704	206,211	201,523	197,421

Average annual kWh used per customer

Residential	11,888	12,191	12,538	12,952	12,729	12,568	12,615	12,570	13,734	12,698
Commercial	70,493	71,968	73,466	76,316	74,531	71,746	77,518	79,272	82,764	82,263
Industrial	23,437,968	23,805,620	24,206,113	27,246,419	27,063,714	25,192,395	25,530,416	26,365,602	25,830,198	24,842,179
Miscellaneous	15,184	13,481	14,009	13,313	13,821	15,101	15,940	16,687	19,379	19,027

Selected Financial Data and Statistics - Unaudited

Public Utility District No. 1 of Clark County

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating revenues	\$ 22,520	\$ 23,350	\$ 21,431	\$ 22,302	\$ 22,462	\$ 20,991	\$ 19,430	\$ 20,966	\$ 18,685	\$ 17,389
Operating expenses	20,769	20,080	18,397	18,515	18,059	16,302	15,606	15,001	14,268	13,324
Operating income	1,751	3,270	3,034	3,787	4,403	4,689	3,824	5,965	4,417	4,065
Non-operating revenues (expenses)	(1,546)	(752)	(443)	(1,564)	(1,616)	(1,868)	(1,507)	(1,484)	(2,375)	(1,964)
Net income (loss)	\$ 205	\$ 2,518	\$ 2,591	\$ 2,223	\$ 2,787	\$ 2,821	\$ 2,317	\$ 4,481	\$ 2,042	\$ 2,101

Water System Statistics

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Cubic feet delivered (in thousands)										
Residential	477,582	457,820	473,418	433,378	467,058	416,535	390,893	412,919	382,318	357,535
Commercial	97,081	86,969	86,583	71,828	72,953	61,319	66,246	67,174	60,565	56,742
Miscellaneous	112,919	114,596	119,160	112,238	110,540	87,240	76,365	84,273	77,882	72,996
Total	687,582	659,385	679,161	617,444	650,551	565,094	533,504	564,366	520,765	487,273

Average revenue per cubic foot (in cents)

Residential	2.92	2.96	2.89	2.94	2.86	2.92	2.94	2.90	2.92	2.92
Commercial	2.82	2.88	2.84	2.86	2.83	2.87	2.81	2.83	2.78	2.75
Miscellaneous	2.76	2.76	2.75	2.75	2.71	2.75	2.73	2.73	2.72	2.70
Average - all classes	2.88	2.91	2.86	2.90	2.83	2.89	2.89	2.86	2.87	2.87

Average number of customers

Residential	39,510	38,781	37,960	37,172	36,278	35,271	34,376	33,373	32,276	31,384
Commercial	1,586	1,537	1,502	1,413	1,365	1,327	1,294	1,253	1,167	1,104
Miscellaneous	711	736	743	747	750	752	756	758	761	760
Total - all classes	41,807	41,054	40,205	39,332	38,393	37,350	36,426	35,384	34,204	33,248

Average annual cubic feet used per customer

Residential	12,088	11,805	12,471	11,659	12,874	11,810	11,371	12,373	11,845	11,392
Commercial	61,211	56,584	57,645	50,834	53,446	46,209	51,195	53,610	51,898	51,397
Miscellaneous	158,817	155,702	160,377	150,252	147,387	116,010	101,012	111,178	102,342	96,047