**CHUGACH ELECTRIC ASSOCIATION, INC.**
**ANCHORAGE, ALASKA**

# AUDIT AND FINANCE COMMITTEE MEETING

## AGENDA

| | |
|---|---|
| Susanne Fleek-Green, Chair | Katherine Jernstrom, Director |
| Rachel Morse, Director | Mark Wiggin, Director |
| Dan Rogers, Director | |

**August 19, 2026** **4:00 p.m.** **Chugach Board Room**

I. CALL TO ORDER *(4:00 p.m.)*
  - *A. Roll Call*

II. APPROVAL OF THE AGENDA*

III. APPROVAL OF THE MINUTES*
  - *A. May 27, 2026 (Cacy)*

IV. PERSONS TO BE HEARD
  - *A. Member Comments*

V. NEW BUSINESS* *(scheduled) (4:10 p.m.)*
  - *A. Election of Audit & Finance Committee Vice Chair* (Committee)*
  - *B. Board Policy 207 – Audit and Finance Committee (Committee)*

VI. CEO REPORTS AND CORRESPONDENCE *(4:15 p.m.)*
  - *A. BRU Quarterly Investment Review (APCM/Millwood)*
  - *B. 2nd Quarter 2026 Capital Tracking Report (Millwood)*
  - *C. 2nd Quarter 2026 Financial Dashboard and Statements (Millwood)*
  - *D. IRS Form 990-T Exempt Organization Business Income Tax Return (Highers/Millwood)*

VII. NEW BUSINESS *(none)*

VIII. EXECUTIVE SESSION *(none)*

IX. NEW BUSINESS *(none)*

X. ADJOURNMENT* *(5:00 p.m.)*

**CHUGACH ELECTRIC ASSOCIATION, INC.**
**Anchorage, Alaska**

**May 27, 2026**
**Wednesday**
**4:00 p.m.**

**AUDIT AND FINANCE COMMITTEE MEETING**



Recording Secretary: Sandra Cacy

## I. CALL TO ORDER

Chair Morse called the Audit and Finance Committee meeting to order at 4:01 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

*A. Roll Call*

*Committee Members' Present:*
Rachel Morse, Chair
Sisi Cooper, Vice Chair
Katherine Jernstrom, Director
Dan Rogers, Director
Mark Wiggin, Director

*Board Members Present:*
Jim Nordlund, Director

*Guests and Staff Attendance Present:*

| | | |
|---|---|---|
| Arthur Miller | Trish Baker | Ashley Anunciacion |
| Sherri Highers | Paul Millwood | Michael Rovito, APA |
| Andrew Laughlin | Eugene Ori | Bart Armfield, Consultant |
| Allan Rudeck | Dusty Menefee | Declan Farr, Alaska Center |
| Katie Millen | Dustin Highers | Michael Hannen, Alaska Center |
| Matthew Clarkson | Phillip Zempel | |
| Heather Slocum | Dan Herrmann | Kert Egelhofer, Member |
| David Cay | Katherine Queen | Bernie Smith, Member |

*Via Teleconference:*

| | | |
|---|---|---|
| Stephanie Huddell | Nathan Golab | Mitch Roth, Member |
| Buddi Richey | Amanda Mankel | |

## II. APPROVAL OF THE AGENDA

Director Wiggin moved, and Director Jernstrom seconded the motion to approve the agenda. The motion passed unanimously.

## III. APPROVAL OF THE MINUTES

Director Wiggin moved, and Director Jernstrom seconded the motion to approve April 8, 2026, Audit and Finance Committee Meeting minutes. The motion passed unanimously.

## IV. PERSONS TO BE HEARD

*Members chose to make comments at the meeting immediately following the Audit and Finance Committee within the Persons To Be Heard time.*

## V. NEW BUSINESS *(none)*

## VI. CEO REPORTS AND CORRESPONDENCE

*A. BRU Quarterly Investment Fund Review (APCM/Millwood)*

Paul Millwood, VP, Finance & Accounting, presented the BRU Quarterly Investment Fund Review and answered questions from the Committee.

*B. 1st Quarter 2026 Capital Tracking Report (Millwood)*

Paul Millwood, VP, Finance & Accounting, presented the 1st Quarter 2026 Capital Tracking Report and answered questions from the Committee.

*C. 1st Quarter 2026 Financial Dashboard and Statements (Millwood)*

Paul Millwood, VP, Finance & Accounting, presented the 1st Quarter 2026 Financials and answered questions from the Committee.

## VII. NEW BUSINESS *(none)*

## VIII. DIRECTOR COMMENTS

*Director Comments were held until after the meeting immediately following Audit & Finance Committee. Chair Morse gave a brief comment on the past year of Audit & Finance and how much she has enjoyed working with the Finance Team and looks forward to the coming year.*

## IX. EXECUTIVE SESSION *(none)*

## X. ADJOURNMENT

At 4:18 p.m., Director Wiggin moved, and Director Jernstrom seconded the motion to adjourn. The motion passed unanimously.

# CHUGACH ELECTRIC ASSOCIATION, INC.

## BOARD POLICY: 207

## AUDIT AND FINANCE COMMITTEE

### I. PURPOSE

The purpose of the Audit and Finance Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the Association's systems of internal controls regarding finance, accounting, and legal compliance and the Association's auditing, accounting and financial reporting processes, results and reports. The Audit and Finance Committee's responsibilities are to:

A. Act consistent with the Association's Board Policy 100, *Code of Ethics,* in particular to create, promote and maintain a culture of honesty and high ethical standards.

B. Review and oversee the Association's financial reporting process, results and reports as they apply to internal controls to prevent, deter and detect fraud.

C. Review the performance of the Association's independent registered public accounting firm ("independent auditor" or "auditor").

D. Ensure open communication between the Association's independent auditor, management and the Board of Directors.

The Audit and Finance Committee shall also:

A. Make recommendations to the Board regarding Section II. B. of Board Policy 103.

B. Review annually, objectives and goals in areas assigned to this Committee and makes appropriate recommendations to the Board.

C. Review and complete such other matters as may be specifically assigned to it by the Board.

The Audit and Finance Committee will fulfill these responsibilities as enumerated in Section III of this Policy.

## II. COMPOSITION

The Audit and Finance Committee shall be comprised of three or more directors as determined by the Board. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Association or an outside consultant or other programs. The Committee may also retain the services of a qualified accounting professional with auditing expertise to assist it in the performance of its responsibilities.

The Board Chair shall appoint the Board Treasurer as Audit and Finance Committee chairperson. The Audit and Finance Committee shall elect from its membership a vice chair and appoint a recording secretary as needed.

## III. RESPONSIBILITIES

The responsibilities of the Committee are to:

1. Recommend to the Board of Directors the selection of the independent auditor, it being understood that the Board of Directors has the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the independent auditor.

2. Receive annually a report of, and review and discuss with the independent auditor, all significant relationships they have with the Association, including the fees and other compensation paid to them, to verify their independence.

3. Ensure the receipt of, and evaluate the written disclosures and the letter that the independent auditor submits to the Audit and Finance Committee regarding the auditor's independence in accordance with Independence Standards Board Standard No. 1, discuss such reports with the auditor and, if so determined by the Audit and Finance Committee in response to such reports, recommend that the Board of Directors take appropriate action to address issues raised by such evaluation.

4. Discuss with the independent auditor the matters required to be discussed by applicable auditing standards.

5. Instruct the independent auditor that the Committee expects to be advised if there are any areas that require special attention.

6. Meet with management and the independent auditor to discuss the annual financial statements and the report of the independent auditor thereon, and to discuss significant issues encountered in the course of the audit work, including restrictions on the scope of activities, access to required information and the adequacy of internal financial controls.

7. Review the management letter delivered by the independent auditor in connection with the audit.

8. Each year, confirm the level of financial information to include in the Association's annual report.

9. Meet quarterly with management to review and discuss the quarterly financial statements and meet annually with management and the independent auditor to review and discuss the annual financial statements.

10. At least annually, meet with the independent auditor out of the presence of management to discuss internal controls and to review the fullness and accuracy of the Association's financial statements.

11. When necessary, meet in separate executive sessions with management and the independent auditor to discuss matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative, or when such an executive session would otherwise be necessary to comply with the open meeting requirements of the Association.

12. Have such meetings with management, the independent auditor and the internal auditor, if applicable, as the Audit and Finance Committee deems appropriate, to discuss significant financial risk exposures facing the Association, and steps management has taken or should be taken to monitor and control such exposures.

13. Review the scope and results of internal audits, if applicable.

14. Evaluate the performance of the independent auditor and, if so determined by the Audit and Finance Committee, recommend to the Board of Directors replacement of the independent auditor.

15. At the request of Association counsel, review with Association counsel legal and regulatory procedures that may have a significant impact on the Association's financial statements, compliance policies or programs.

16. Conduct or authorize such inquiries into matters within the Committee's scope of responsibility as the Committee deems appropriate.

17. Provide minutes of Audit and Finance Committee meetings to the Board of Directors, and report to the Board of Directors on any significant matters arising from the Committee's work.

18. Review with the independent auditors and management the extent to which any changes or improvements in financial or accounting practices, as recommended by the independent auditors and approved by the Board, have been implemented.

19. At least annually, review and reassess this Policy and, if appropriate, recommend proposed changes to the Board of Directors.

Date Approved: May 26, 2021

Attested: James Henderson
James Henderson
Secretary of the Board

*In the performance of its responsibilities, the Audit and Finance Committee is a representative of the members. However, it is not the responsibility of the Audit and Finance Committee to plan or conduct audits, or to determine whether the Association's financial statements are complete and accurate or in accordance with generally accepted accounting principles. It is not the responsibility of the Audit and Finance Committee to conduct inquiries, to resolve disagreements, if any, between management and the independent auditor, or to assure compliance with laws, regulations or any company compliance policies or programs.*


# Chugach Electric Beluga River ARO Investment Fund

As of June 30, 2026

# Executive Summary

## Performance, Progress, and Positioning

APCM

**Recent Portfolio Performance & Drivers**

Global markets remained resilient through 2026 despite moderating economic growth, elevated interest rates, persistent inflation concerns, and geopolitical uncertainty. Continued strength in corporate earnings and long-term investment themes—including artificial intelligence, infrastructure, and industrial modernization—helped global equities generate positive returns, supporting overall portfolio performance.

**Progress Towards Stated Goals and Objectives**

The portfolio has continued to perform within the range of outcomes expected for its long-term risk profile. Despite periods of market volatility, returns remain consistent with the portfolio's objectives, supporting confidence that the current investment strategy remains appropriate if maintained over time.

**Market Environment & Positioning**

Continue maintaining a disciplined and diversified investment approach while maintaining portfolio positioning relative to strategic targets. Long-term success remains driven by staying invested through changing market environments rather than reacting to short-term volatility.

# Staying Focused on Your Goals

APCM

| Chugach Electric Beluga River ARO Investment Fund<br>As of June 30, 2026 | | |
|---|---|---|
| Account Inception | | October 2020 |
| Total Contributions | | $ 39,245,728 |
| Withdrawals<br>*Does not include custodial or management fees* | | $ 0 |
| Current Market Value<br>*June 30, 2026* | | $ 55,432,105 |
| Annualized Net Account Return*<br>*Inception – June 30, 2026* | | + 7.07% |
| Strategic Asset Allocation | Risk Control | 27% |
| | Risk Assets | 52% |
| | Alternatives | 21% |

**Goals:**

The investment objective of the ARO Fund is to achieve a long-term rate of return on assets in the ARO Fund which, in conjunction with monthly deposits of member funds by Chugach, will be sufficient to satisfy the ARO Liability. Using the updated 2025 ARO Study, **the current funded status of the ARO Fund, including anticipated contributions, is 80.3% as of June 30, 2026.**

The targeted minimum return is CPI-U plus 200 basis points. The portfolio is expected to meet this goal over the long-term with an expected return of 6.4% and APCM's long-term inflation expectation of 2.25%. **Since inception, inflation has been above average, at 4.42%, and the portfolio has returned 7.07%.**

**Contribution Policy:**

Chugach Electric is to make monthly deposits equal to all funds collected from members for the ARO Surcharge.

*Performance is net of management fees, net of internal fund fees, and annualized for periods greater than one year.

# Funded Status

| | |
|---|---|
| Contributions to Date | $ 39,245,728 |
| Net Earnings | $ 16,186,377 |
| Current Market Value | $ 55,432,105 |
| Total Liability<br>*End of Life* | $ 104,788,115 |
| Anticipated Contributions*<br>*Based on 2025 Reserve Study prepared by Ryder Scott* | $ 28,689,015 |
| Funded Status** | 80.3% |
| Current Funding Gap***<br>*Additional contributions beyond projections and/or earnings required to fully fund liability* | $ 20,666,995 |

*** Anticipated Contributions based on 2025 Reserve Study prepared by Ryder Scott.**

**Funded Status calculated as current market value plus anticipated contributions, divided by the ARO liability.

***Total Liability – (Current Market Value + Anticipated Contributions)

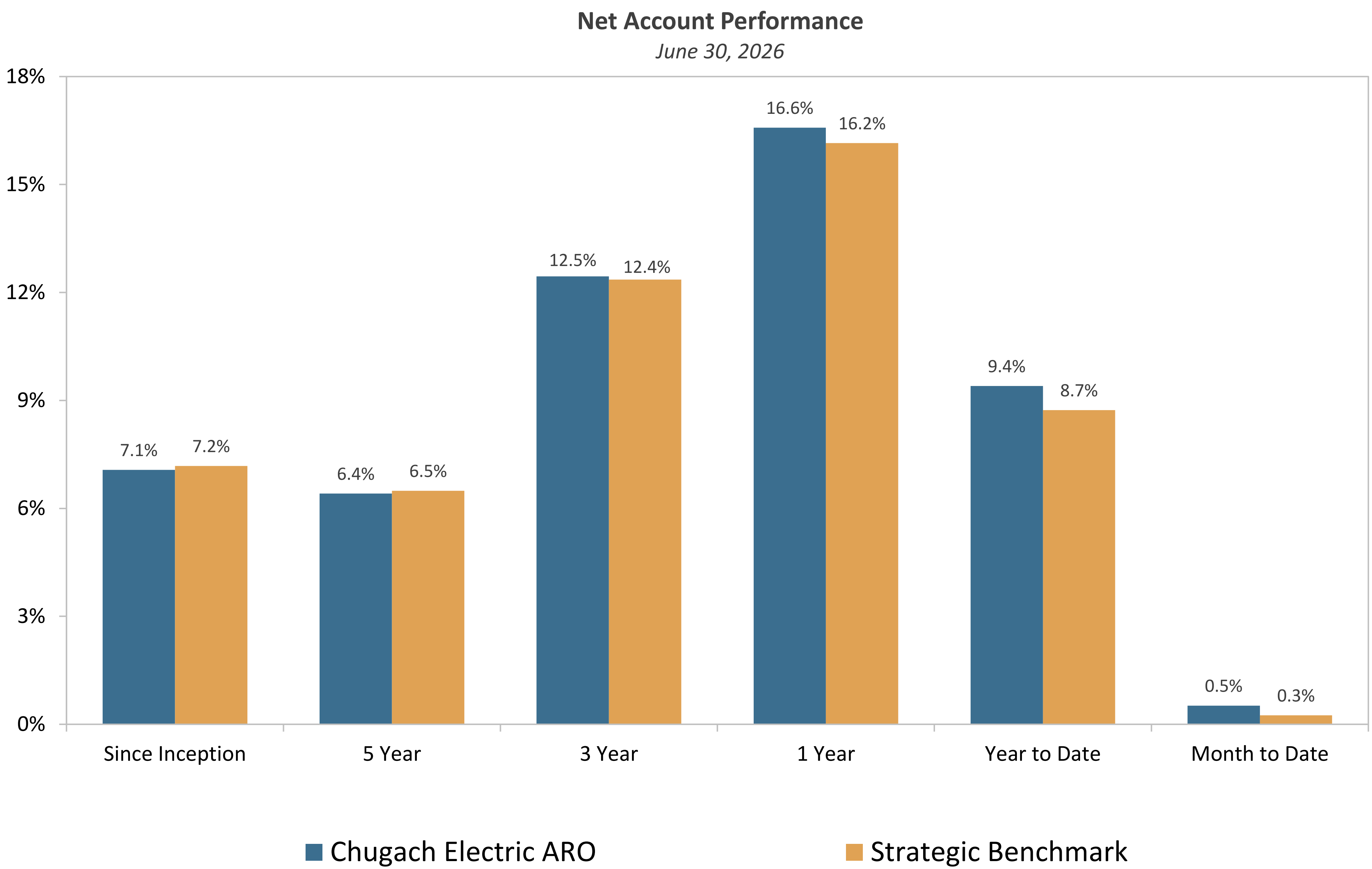
APCM

# Recent Portfolio Performance & Drivers

As of June 30, 2026

# Recent Portfolio Performance & Drivers

## Year to Date, the Portfolio Has Outperformed the Strategic Benchmark



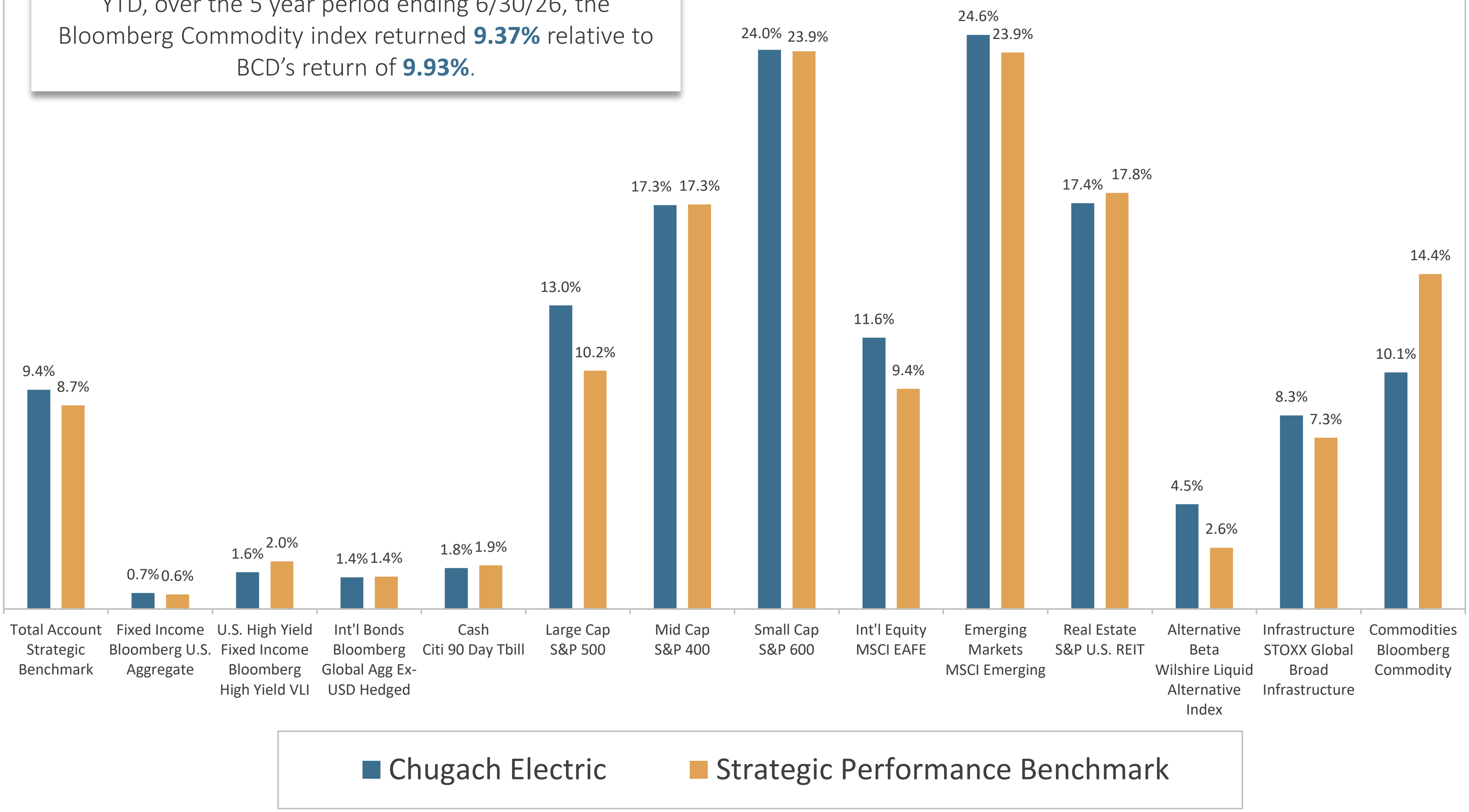



Portfolio performance is net of management fees and net of fund fees.

# APCM's Tactical Decisions Benefited Relative Returns

## Performance by Asset Class YTD 2026

Although commodities were a detractor to relative return YTD, over the 5 year period ending 6/30/26, the Bloomberg Commodity index returned **9.37%** relative to BCD's return of **9.93%**.






Total portfolio performance is net of management fees and net of internal fund fees. Strategic benchmark is a blended return of the account's target performance allocation history.

# Recent Portfolio Performance & Drivers

## Allocation Across Risk Assets, Risk Control, and Alternatives


### Portfolio Statistics

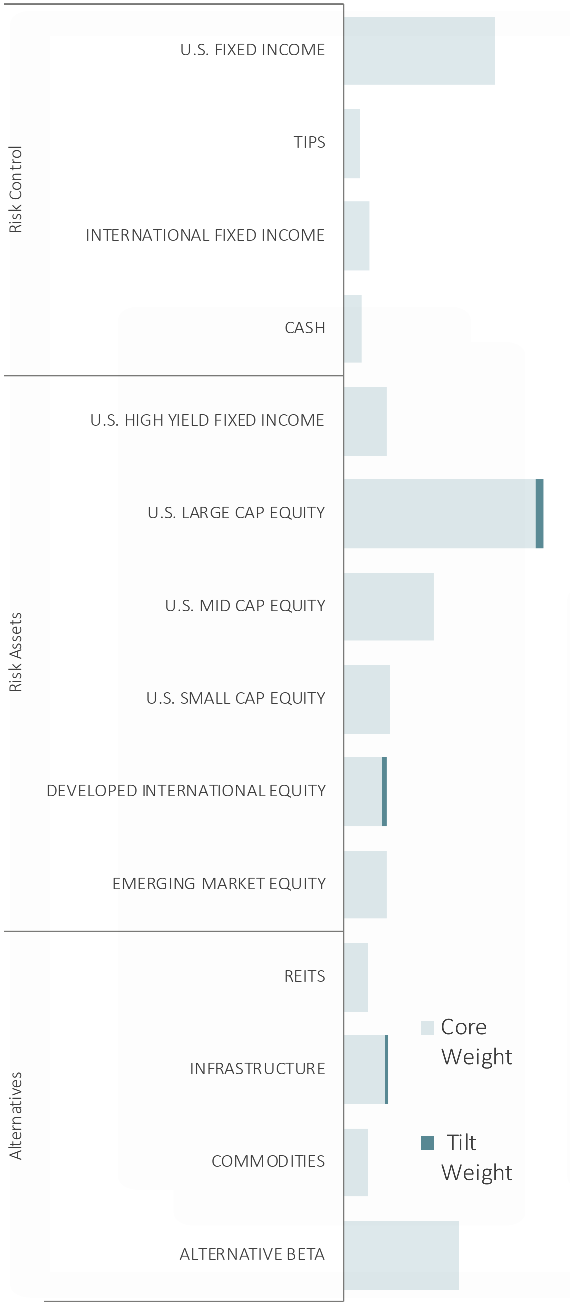
**21**
*Funds*

**17** + **4**
*Strategic* *Tactical*

**12**
*Managers*

# Aligning Near-term Tactical Adjustments with Your Long-term Strategy – As of June 30, 2026

APCM




| Asset Class | Strategic Benchmark | Overweight / Underweight | Current Allocation | Range |
|---|---|---|---|---|
| **Risk Control** | **27%** | **-3.1%** | **23.9%** | |
| U.S. FIXED INCOME | 18% | -1.1% | 16.9% | 8% to 28% |
| TIPS | 2% | 0.0% | 2.0% | 0% to 10% |
| INTERNATIONAL FIXED INCOME | 5% | -2.0% | 3.0% | 0% to 10% |
| CASH | 2% | 0.1% | 2.1% | 0% to 10% |
| **Risk Assets** | **52%** | **0.6%** | **52.6%** | |
| U.S. HIGH YIELD FIXED INCOME | 5% | -0.1% | 4.9% | 0% to 10% |
| U.S. LARGE CAP EQUITY | 22% | 0.3% | 22.3% | 12% to 32% |
| U.S. MID CAP EQUITY | 10% | 0.2% | 10.2% | 5% to 15% |
| U.S. SMALL CAP EQUITY | 5% | 0.3% | 5.3% | 0% to 10% |
| DEVELOPED INTERNATIONAL EQUITY | 6% | -1.1% | 4.9% | 0% to 12% |
| EMERGING MARKET EQUITY | 4% | 1.0% | 5.0% | 0% to 8% |
| **Alternatives** | **21%** | **2.5%** | **23.5%** | |
| REITS | 3% | -0.2% | 2.8% | 0% to 6% |
| INFRASTRUCTURE | 5% | 0.0% | 5.0% | 0% to 10% |
| COMMODITIES | 3% | -0.3% | 2.7% | 0% to 6% |
| ALTERNATIVE BETA | 10% | 3.0% | 13.0% | 0% to 15% |

Totals may not sum due to rounding


# Progress Towards Stated Goals and Objectives

As of June 30, 2026

# Since Inception, the Portfolio has Generated Over $16M of Net Earnings

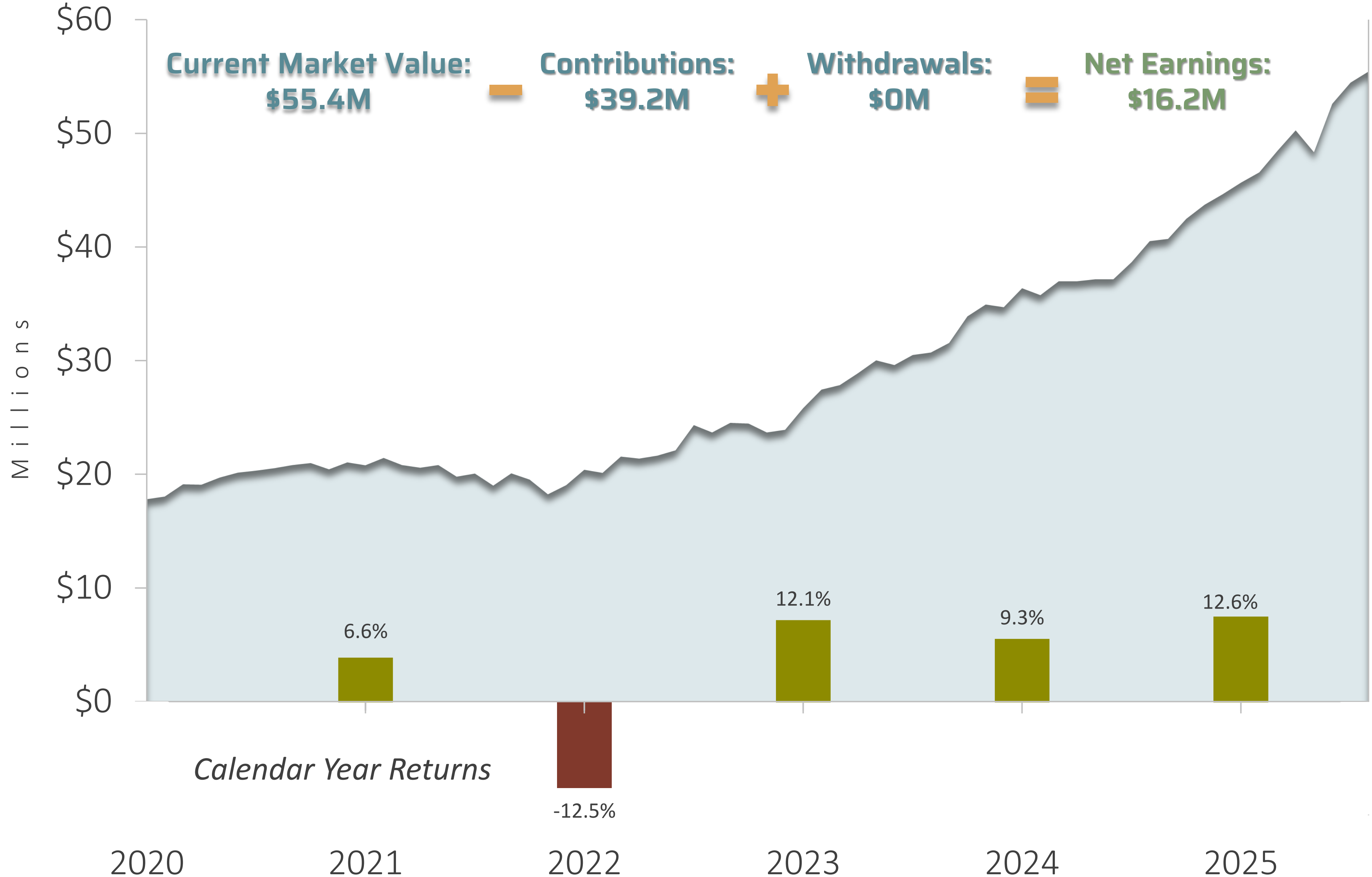
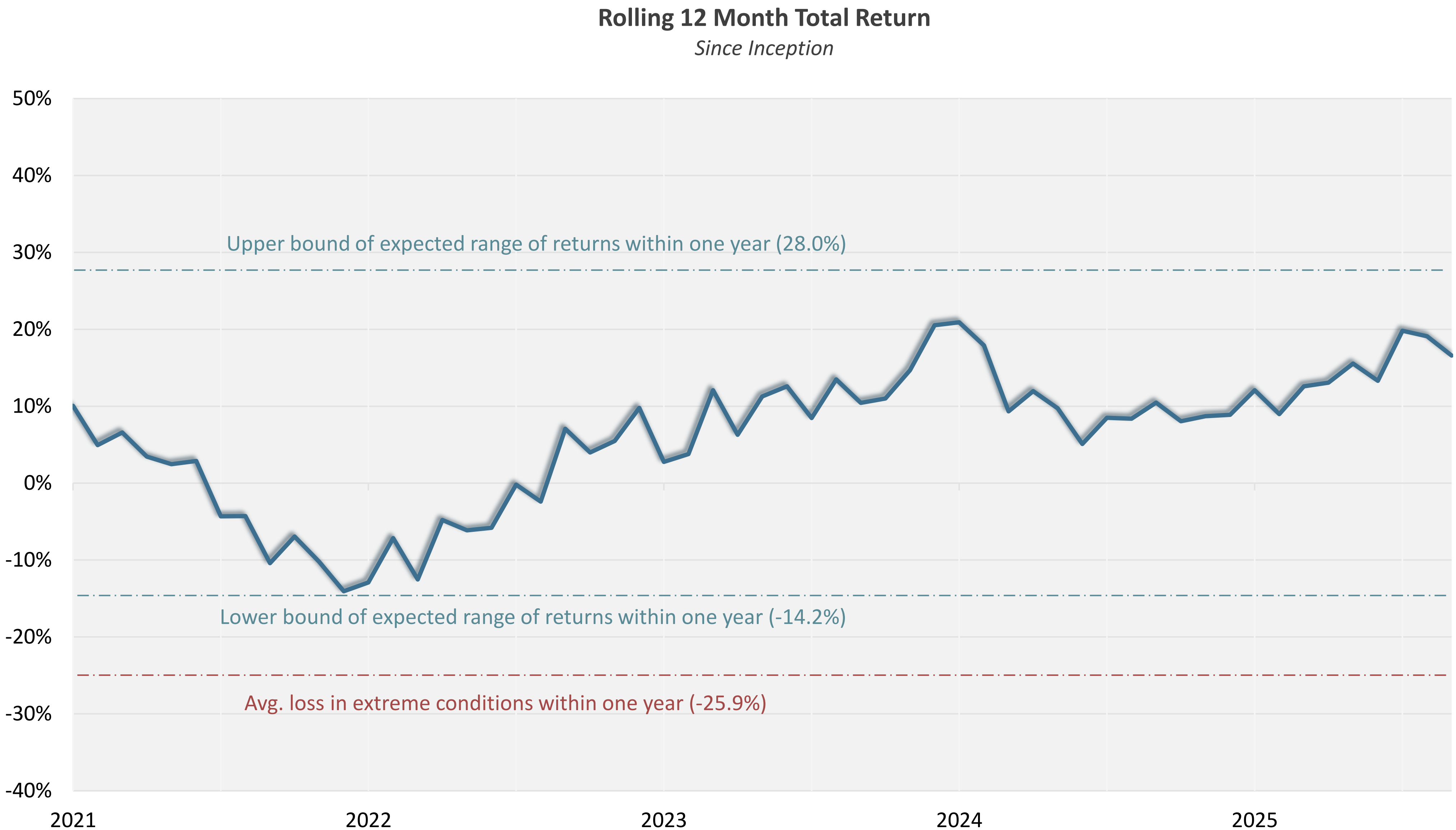





Chart shows month-end portfolio data from November 30, 2020 to June 30, 2026 and calendar year returns from December 2020 to December 2025. Performance is net of management fees and net of internal fund fees.

# Progress Towards Stated Goals and Objectives

## Portfolio Returns Are in Line with Long-Term Strategic Expectations





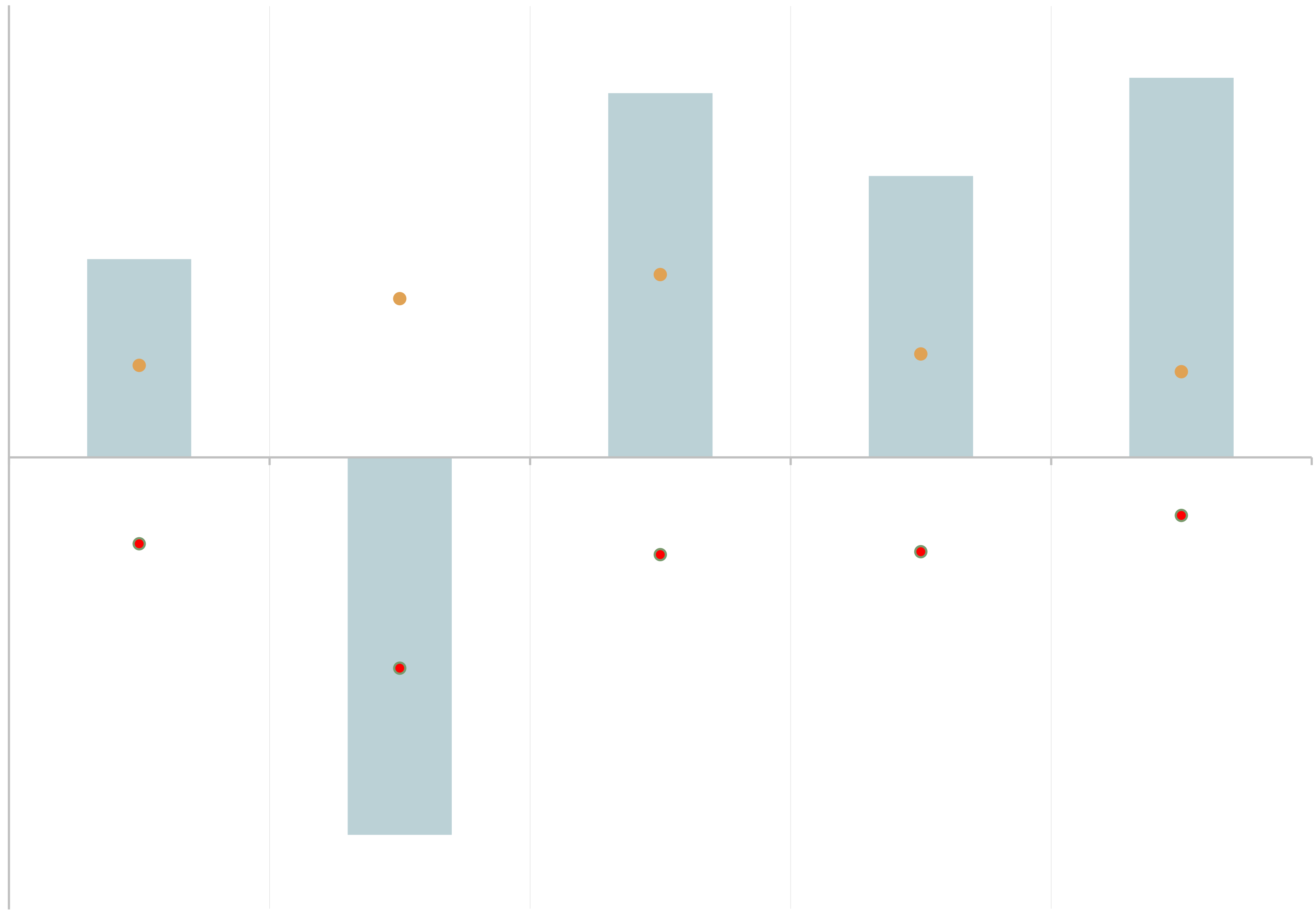

Actual rolling 12 month Portfolio performance is net of management fees and net of fund fees.
Expectations are gross of management fees.

# Progress Towards Stated Goals and Objectives

## Temporary Market Declines Have Not Derailed Long-Term Progress

APCM

Despite intra-year declines, the ARO has experienced a positive return in **80%** of calendar years since inception.



| | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Chugach Electric Calendar Year Return | 6.58% | -12.52% | 12.08% | 9.34% | 12.60% |
| Worst Month | -2.86% | -6.99% | -3.22% | -3.13% | -1.92% |
| Best Month | 3.06% | 5.27% | 6.07% | 3.43% | 2.85% |

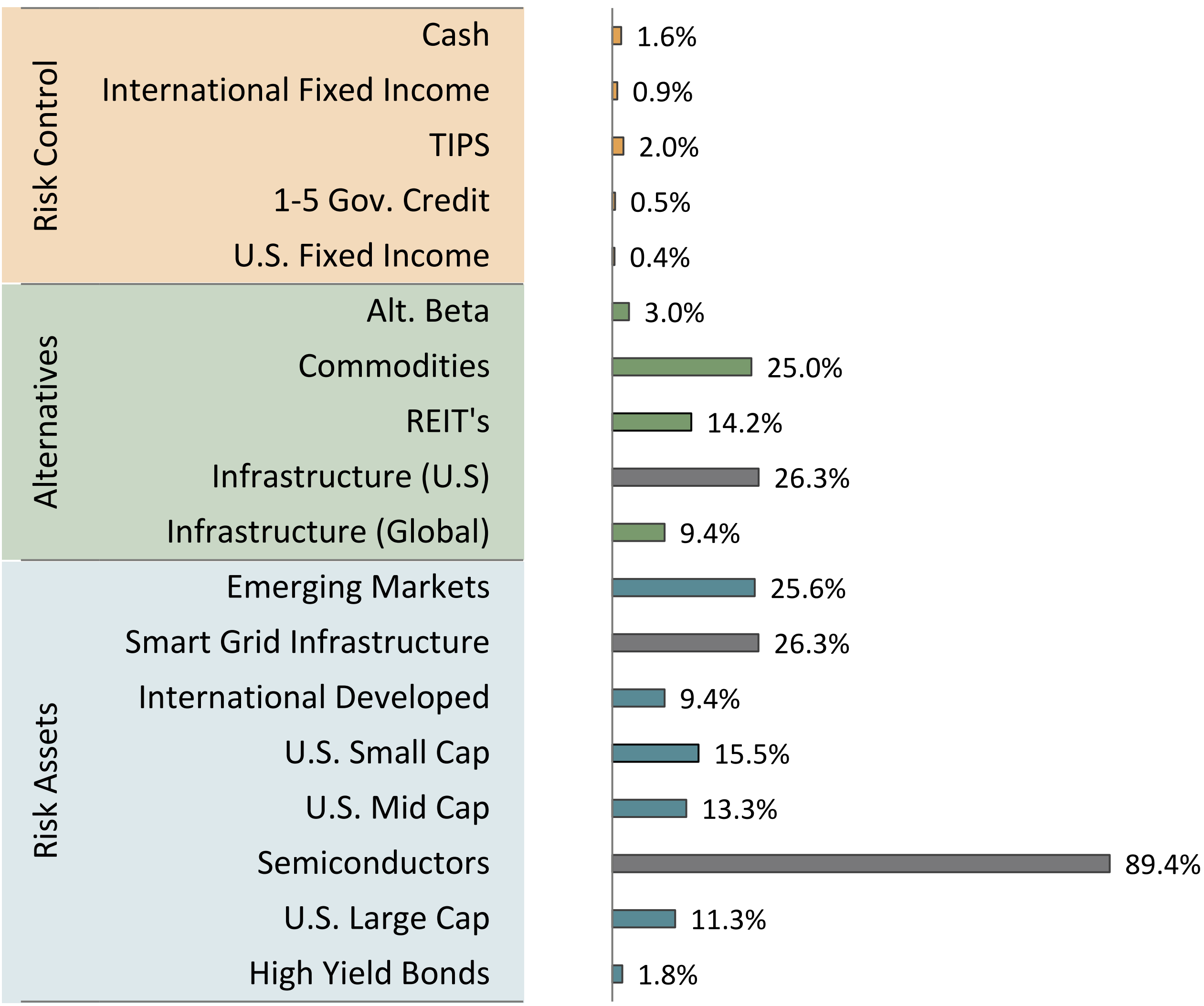
Performance is net of management fees and net of internal fund fees.

# Market Environment & Positioning

# Market Environment & Positioning

## Strong Earnings Growth and AI Infrastructure Spending Have Driven Positive Returns

Index Returns
Year to Date As of May 31, 2026





## Core (SAA)

Portfolio designed to meet client specific goals utilizing strategic asset classes.

## Satellite (Tactical Tilts)

Return enhancement and risk control strategies deployed to incrementally enhance the core. Modest exposure, remain focused on the core.



Source: Bloomberg.

# Market Environment & Positioning

## AI Spending and Fiscal Support are Cushioning Growth, while Energy-driven Inflation Delays Rate Cuts

APCM

### Labor market and the consumer

Although job gains remain narrow, the labor market appears broadly balanced, with **unemployment staying low and wage pressures largely contained**.

At the same time, **consumer spending is becoming more bifurcated,** as higher energy prices weigh most heavily on lower- and middle-income households while higher-income spending remains a key support.

### Growth and Inflation

**Inflation risks have re-emerged due to higher energy prices**, supply-chain disruptions, and ongoing geopolitical tensions. Despite these pressures, **economic growth has remained more resilient than many investors anticipated**. Continued AI-related capital spending, infrastructure investment, productivity gains, and stable unemployment have helped support economic activity and corporate earnings, offsetting some of the headwinds created by higher inflation.

### Geopolitical / Energy

Oil prices have been drastically increased by the Iran conflict. Although this is applying upward force on inflation in the near term, **the recessionary pressure of this energy spike for the U.S. should be limited because the U.S. is a net exporter of oil**.

The impact will likely be disproportionately felt by middle and low-income consumers but **offset in U.S. GDP** by the positive effects on oil producers.

### Fed Policy

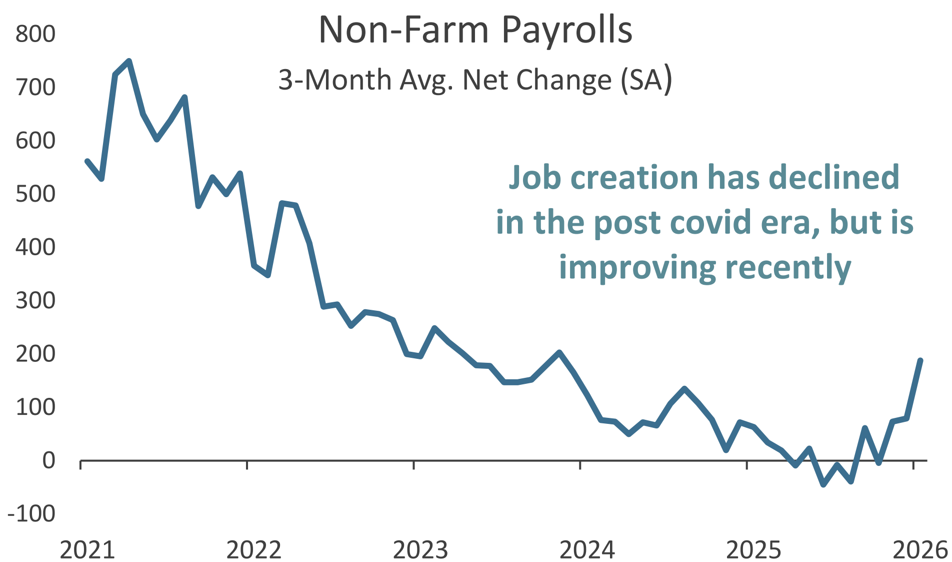
Due to the energy shock caused by the conflict in Iran, **market expectations of Fed policy have shifted meaningfully** from pricing in 2-3 cuts to now anticipating rate hikes as investors reassess the inflationary impact of higher energy prices. **The Fed may be willing to look through the inflationary impact of near-term energy volatility if they believe prices will stabilize.** This may mean higher for longer rates, but not necessarily a hiking cycle.

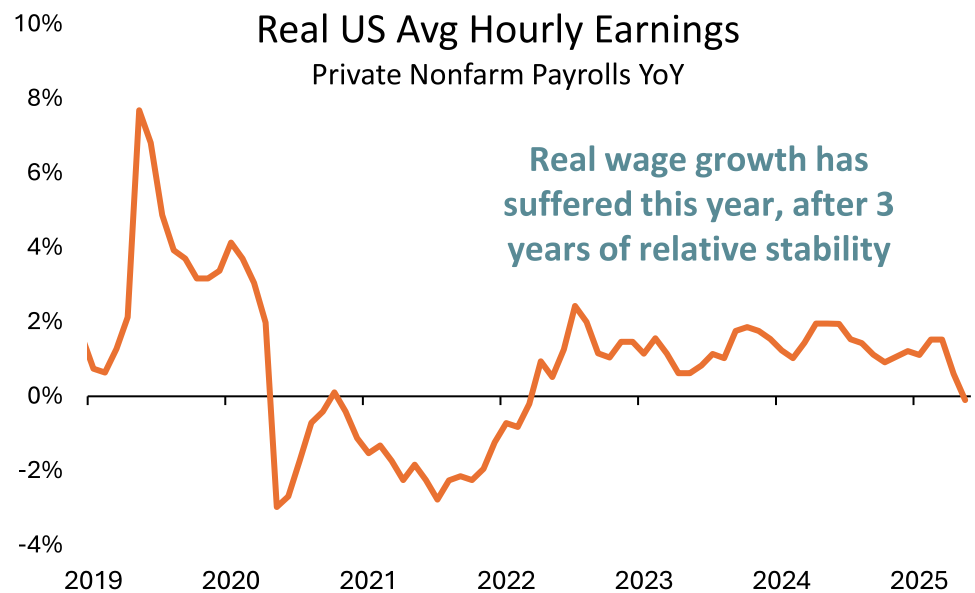


Source: Oxford Economics, JP Morgan, Northern Trust

# Market Environment & Positioning

## Easing Wage Pressures Help Offset Inflationary Impact of Energy Prices




Although nonfarm payrolls (a monthly U.S. jobs report that measures how many jobs were added or lost across the economy) has moderated over the past five years, job creation has rebounded in recent months. Real wage growth has been steady over the past 3 years but has weakened in 2026. **Combined with stable employment, these factors are indicative of a balanced labor market** even as economic growth moderates. Easing wage pressures have also helped **reduce the risk of a broader inflationary spiral.**

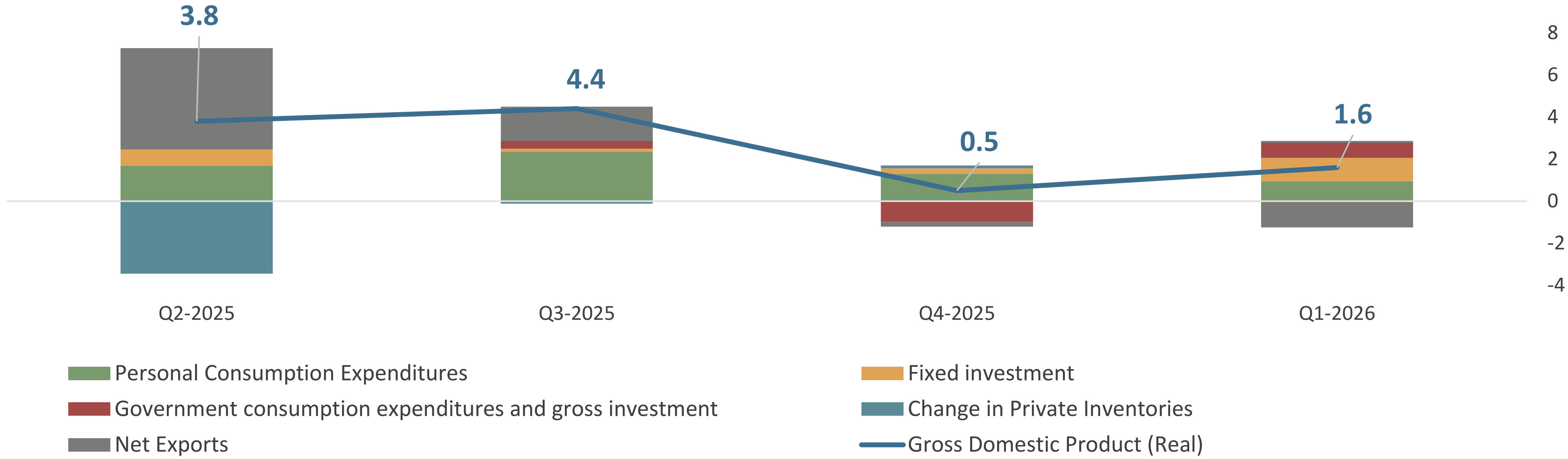

Source: Oxford Economics, JP Morgan, Northern Trust, Bloomberg, BLS

# Market Environment & Positioning

## Growth Remains Resilient, but Inflation Risks Keep the Fed Cautious

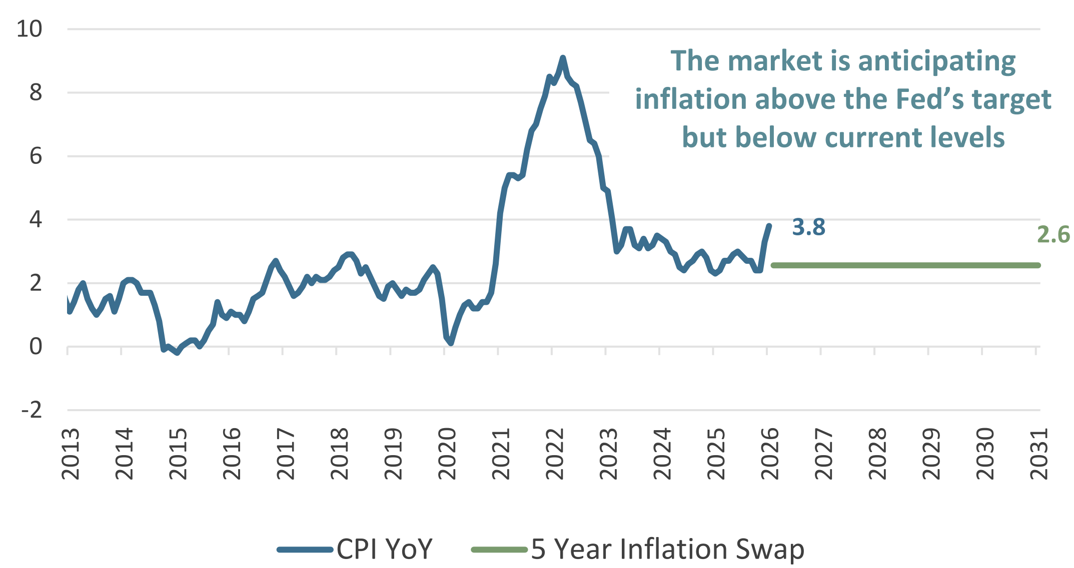
Contributions to U.S. Real GDP

*Annualized*




**Economic growth has moderated** from the stronger pace seen in recent years but **remains supported by fiscal stimulus, stable labor markets, and continued investment in AI-related infrastructure** and technology. Higher energy prices and geopolitical tensions have contributed to renewed inflation concerns, while also weighing on consumer spending, particularly among lower- and middle-income households. However, this is **partially offset by easing wage growth and** differs from the broad-based demand driven overheating that characterized portions of the post-pandemic recovery.

Inflation

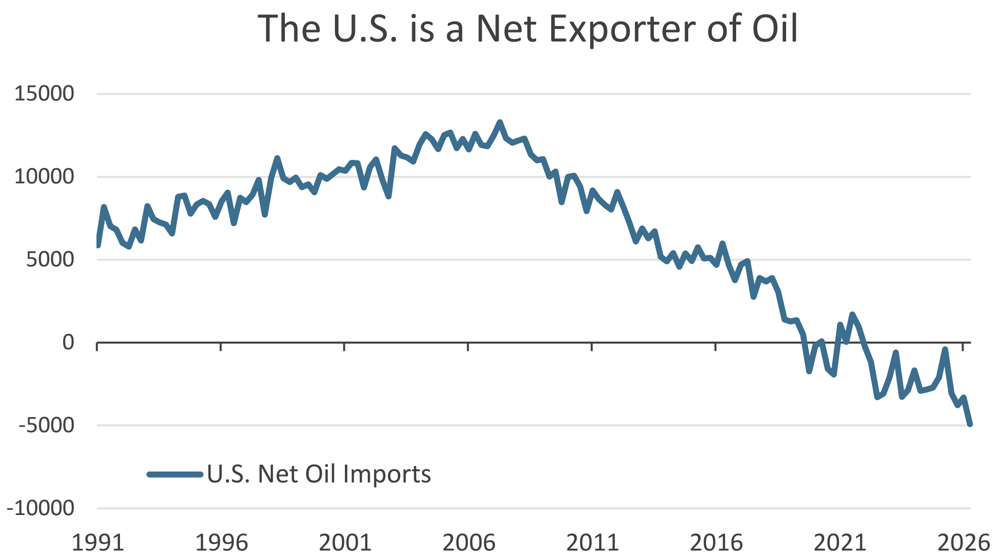


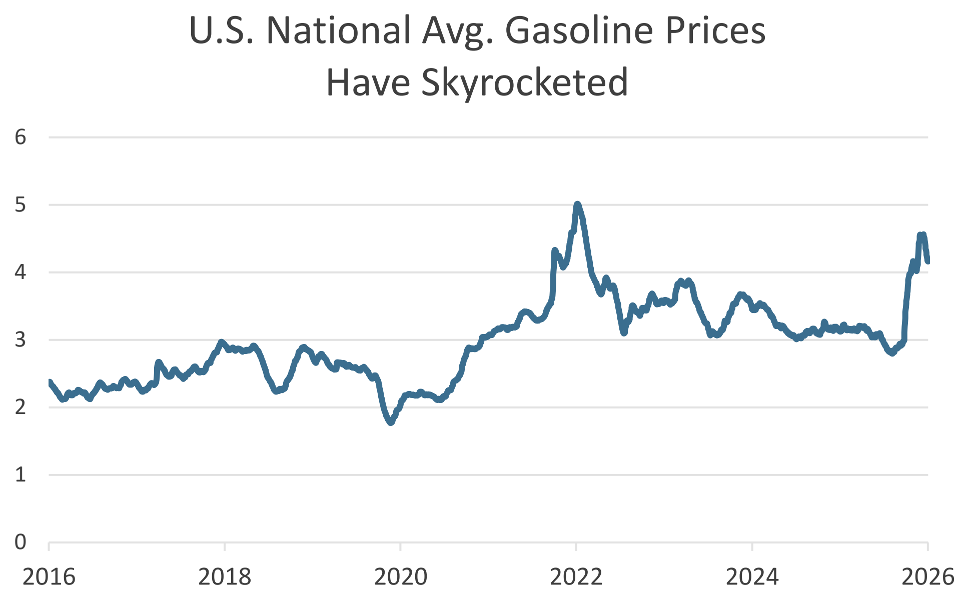


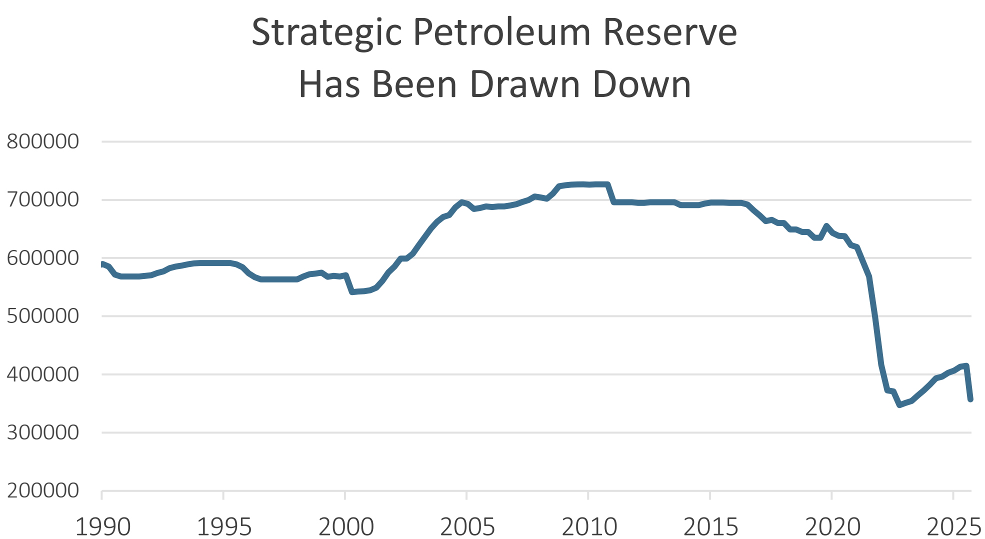

Source: Oxford Economics, JP Morgan, Northern Trust, Bloomberg, BLS

# Market Environment & Positioning

## Energy Shock Adds Inflation Risk, but U.S. Growth Has Buffers



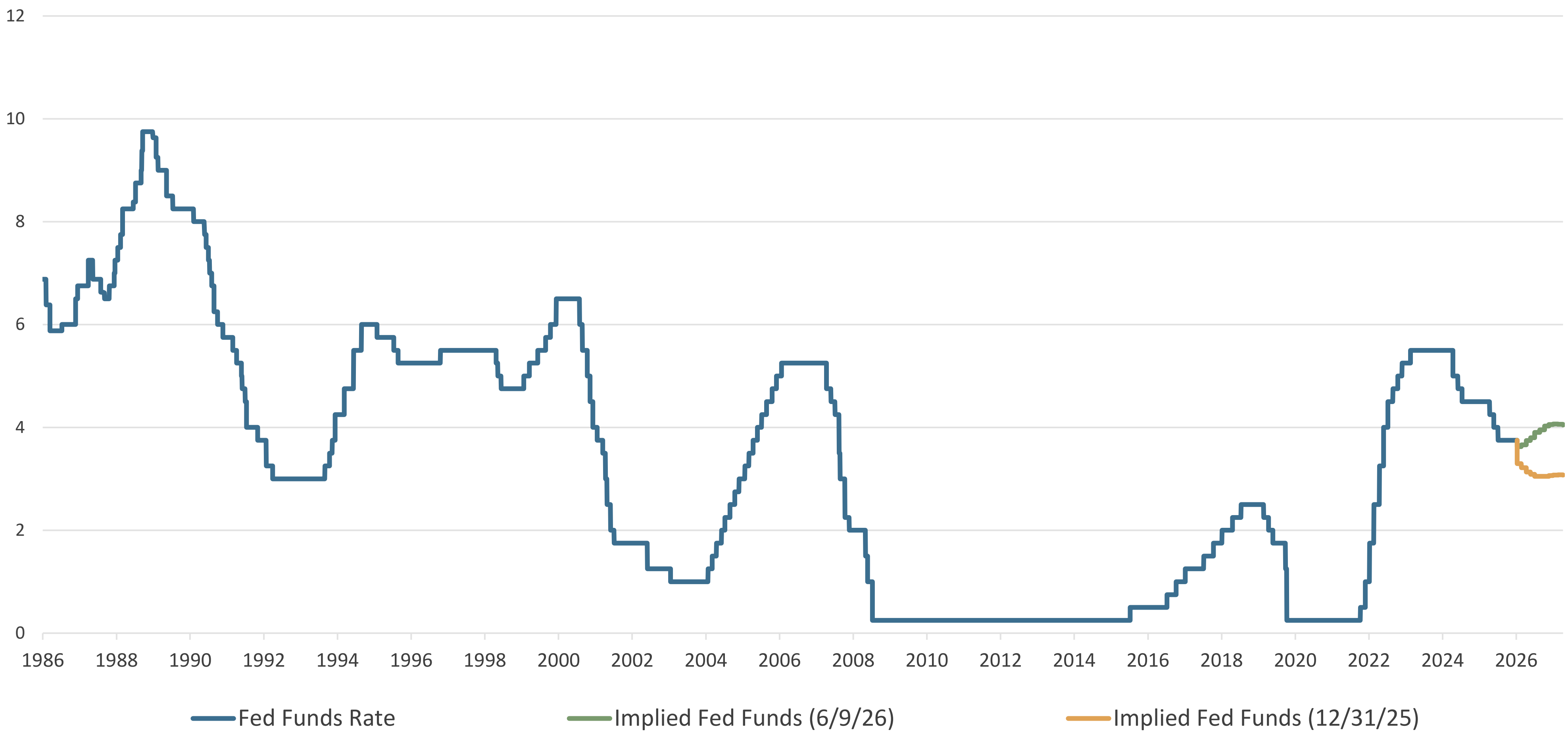

**Geopolitical tensions and higher energy prices have added renewed uncertainty** to the market outlook, particularly given the importance of global shipping routes and oil supply disruptions. While elevated energy costs can temporarily lift headline inflation and pressure consumer spending, **past regional conflicts have often had a more limited and shorter-lived economic impact than initially feared**. The key risk is whether higher oil prices and shipping costs persist long enough to tighten financial conditions or weaken demand more broadly. **For now, resilient earnings, stable labor markets, and continued investment demand have helped offset some of the pressure from geopolitical volatility.**



Source: Oxford Economics, JP Morgan, Northern Trust, Bloomberg, BLS

# Market Environment & Positioning

## Energy Inflation is Expected to Delay Rate Cuts




Today's environment differs from 2022 because the primary risk is not an aggressive tightening cycle, but rather a **prolonged period of higher policy rates.**

Looking ahead, policy decisions will likely depend on whether recent inflation pressures prove temporary or begin spreading more broadly through the economy.



Source: Oxford Economics, JP Morgan, Northern Trust, Bloomberg, BLS

# Market Environment & Positioning

## Slower Growth, Continued Expansion

APCM

## APCM's Base Case

**01 | Growth** — STABLE

The baseline outlook remains one of continued economic expansion, even as growth moderates due to higher energy prices and increased uncertainty.

**02 | Consumer** — HOLDING

Consumer spending is slowing but remains supported by stable employment and income trends.

**03 | Credit** — STABLE

Credit conditions remain broadly stable, reinforcing the view that systemic risk is limited.

**04 | Policy** — STABLE

Central banks are likely to look through temporary energy-driven inflation, provided long-term expectations remain anchored.

## Risks we are monitoring

**01 | Energy** — ELEVATED

A sustained increase in oil prices could materially tighten financial conditions and increase recession risk.

**02 | Geopolitical** — ELEVATED

A breakdown in negotiations or expansion of the conflict could disrupt energy supply or global trade flows.

**03 | Inflation** — WATCH

Persistent inflation pressures could limit central bank flexibility and delay policy easing.

**04 | Labor** — WATCH

Deterioration in labor market data or credit conditions would signal a shift toward a more defensive outlook.

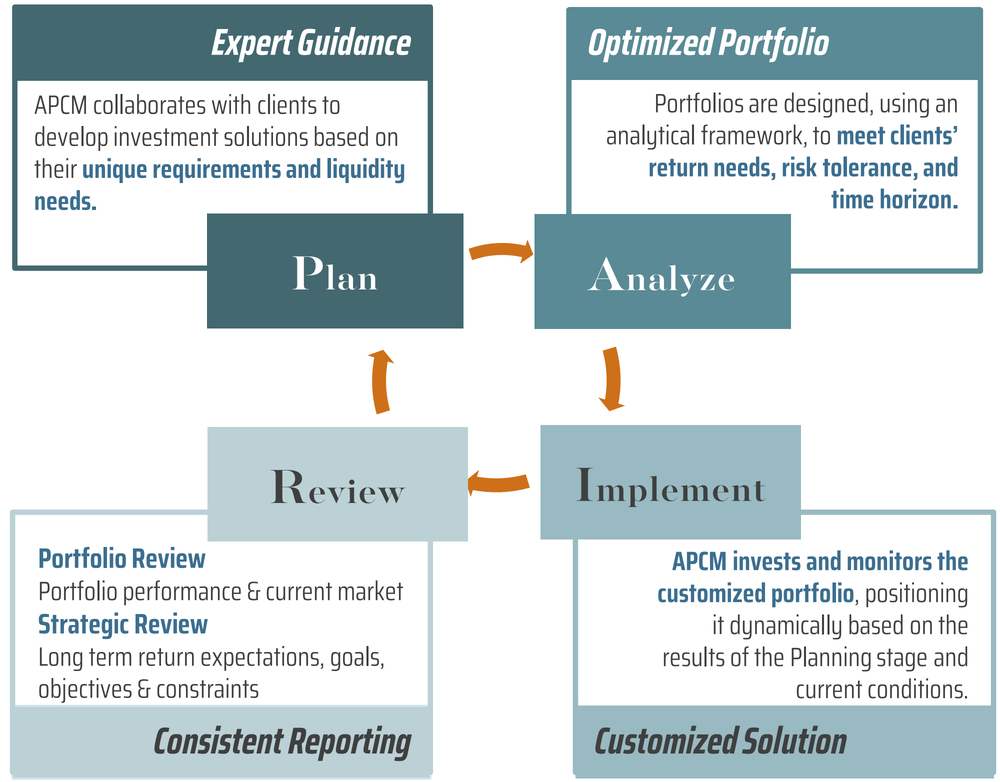


Source: Oxford Economics, JP Morgan, Northern Trust

# The PAIR Process
# A Perpetual Cycle of Progress
## Plan, Analyze, Implement, Review

APCM's structured and repeatable investment process is a framework used consistently across all client engagements to design, implement, and maintain an optimal portfolio strategy—while helping clients meet their fiduciary responsibilities.

Following a prudent, methodical process strengthens governance and prevents market-driven departures from sound strategy.



# Appendix

# Asset Class Roles

## How Each Asset Class Contributes to a Portfolio

APCM

| Asset Class | Role in the Portfolio |
|---|---|
| **Risk Control** | **Capital preservation, downside protection, and liquidity.** |
| U.S. Fixed Income | Delivers steady income and acts as a safe-haven during equity crashes. |
| International Fixed Income | Diversifies interest rate exposure across global central bank cycles. |
| Cash | Provides absolute safety and immediate liquidity to seize market opportunities. |
| **Risk Assets** | **Primary engine for long-term growth and capital appreciation.** |
| U.S. High Yield Fixed Income | Least risky of the risk assets; generates income above investment grade credit |
| U.S. Large Cap Equity | Core portfolio exposure to established, highly liquid U.S. corporations. |
| U.S. Mid Cap Equity | Blends the financial stability of large caps with the higher growth potential of small caps. |
| U.S. Small Cap Equity | Captures high-growth potential from smaller, nimbler domestic companies. |
| Developed International Equity | Diversifies geographic and currency risk via mature overseas economies. |
| Emerging Market Equity | Captures high-growth upside and demographic advantages in developing nations. |
| **Alternatives** | **Enhances risk-adjusted returns through low-correlation assets.** |
| REITs | Provides liquid real estate exposure and a reliable inflation hedge. |
| Infrastructure | Generates stable, predictable cash flows from essential public assets. |
| Commodities | Offers a direct and powerful hedge against unexpected inflation shocks. |
| Alternative Beta | Replicates hedge fund strategies to deliver market-independent returns. |
| Private Equity | Captures a premium for locking up capital to drive private business growth. |

# Chugach Electric ARO
## Historical Strategic Benchmark

| Historical Strategic Benchmark | | Benchmark Effective Date | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Asset Category** | **Asset Class** | **9/30/2020** | **8/31/2021** | **9/30/2021** | **5/31/2023** | **6/30/2023** | **8/31/23** | **3/31/2024** | **4/30/2024** | **5/31/2024** |
| **Alternatives** | | | | | | | | | | |
| | ALTERNATIVE BETA | | | 10% | | 10% | 10% | | | 10% |
| | COMMODITIES | | | 3% | | 3% | 3% | | | 3% |
| | INFRASTRUCTURE | | | 5% | | 5% | 5% | | | 5% |
| | REITS | 5% | | 3% | | 3% | 3% | | | 3% |
| | ALTERNATIVE BETA | | | 10% | | 10% | 10% | | | 10% |
| **Risk Assets** | | | | | | | | | | |
| | U.S. HIGH YIELD FIXED INCOME | | | 5% | | 5% | 5% | | | 5% |
| | U.S. LARGE CAP EQUITY | 13% | | 22% | | 22% | 22% | | | 22% |
| | U.S. MID CAP EQUITY | 1% | | 10% | | 10% | 10% | | | 10% |
| | U.S. SMALL CAP EQUITY | 1% | | 5% | | 5% | 5% | | | 5% |
| | DEVELOPED INTERNATIONAL EQUITY | 4% | | 6% | | 6% | 6% | | | 6% |
| | EMERGING MARKET EQUITY | 1% | | 4% | | 4% | 4% | | | 4% |
| **Risk Control** | | | | | | | | | | |
| | U.S. FIXED INCOME | 65% | | 18% | | 18% | 18% | | | 18% |
| | INTERNATIONAL FIXED INCOME | | | 5% | | 5% | 5% | | | 5% |
| | TIPS | 10% | | 2% | | 2% | 2% | | | 2% |
| | CASH | | | 2% | | 2% | 2% | | | 2% |
| Non-discretionary Period | | | 100% | | 100% | | | 100% | 100% | |

# Disclosures

**Important Assumptions**

IMPORTANT: The projections or other information generated by Alaska Permanent Capital Management Company (APCM) regarding the likelihood of various outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. There can be no assurance that the projected or simulated results will be achieved or sustained. The charts and data only present a range of possible outcomes. Actual results will vary over time, and such results may be better or worse than the simulated scenarios. Clients should be aware that the potential for loss (or gain) may be greater than that demonstrated in the simulations. Please note that the analysis does not take into consideration all asset classes, and other asset classes not considered may have characteristics similar or superior to those being analyzed.

**Important Legal Information**

These calculations are designed to be informational and educational only, and when used alone, do not constitute investment advice. APCM encourages investors to review their investment strategy periodically as financial circumstances do change.

Model results are provided as a rough approximation of future financial performance. Actual results could produce different outcomes (either better or worse) than those illustrated by the model, since it is not possible to anticipate every possible combination of financial market returns. APCM is not responsible for the consequences of any decisions or actions taken in reliance upon or as a result of the information provided by the results of the model.

**Other Influences on Rates of Return**

Investment management fees: Returns are presented gross of management fees and include the reinvestment of all income. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The collection of fees produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) $1,000,000 investment, (c) portfolio return of 8% a year, and (d) 1.00% annual investment advisory fee would be $10,416 in the first year, and cumulative effects of $59,816 over five years and $143,430 over ten years. Actual investment advisory fees incurred by clients may vary.

Taxes: Unless noted otherwise, model results have not been adjusted for any state or federal taxes or penalties.

Inflation: Unless noted otherwise, model results do not adjust any inputs or outcomes for inflation. Inflation is assumed to be constant over the investment horizon.

**Limitations Inherent in Model Results**

Limitations include but are not restricted to the following:

Model results do not represent actual trading and may not reflect the impact that material economic and market factors might have had on APCM's decision making if the actual client money were being managed.

Extreme market movements may occur more frequently than represented in the model.

Some asset classes have relatively limited histories. While future results for all asset classes in the model may materially differ from those assumed in APCM's calculations, the future results for asset classes with limited histories may diverge to a greater extent than the future results of asset classes with longer track records.

Market crises can cause asset classes to perform similarly over time; reducing the accuracy of the projected portfolio volatility and returns. The model is based on the long-term behavior of the asset classes and therefore is less reliable for short-term periods. This means that the model does not reflect the average periods of "bull" and "bear" markets, which can be longer than those modeled.

The model represent APCM's best view of the next 7-10 years, but is unlikely to reflect actual investment returns worldwide over this period.

# Capital Tracking Report

## 2nd Quarter 2026

Chugach Electric Association, Inc.
Audit & Finance Committee
August 19, 2026

POWERING ALASKA'S FUTURE

# Projects Summary

## 2nd Quarter 2026

| Project Name | Actual | Forecast | Approved | Financial Status |
|---|---|---|---|---|
| | (In Millions) | | Legend: | Actual / Under / Over<15% / Over>15% |
| Reliability Projects | $20.8 | $75.5 | $75.5 | 27% / 100% |
| Retirements & Replacements Projects | $40.8 | $44.1 | $45.0 | 91% / 98% |
| Operating Efficiency Projects | $21.5 | $62.2 | $61.4 | 35% / 101% |
| **Total Projects** | **$83.1** | **$181.8** | **$181.9** | |

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# Capital Tracking Report

## 2nd Quarter 2026

Supplemental Information

POWERING ALASKA'S FUTURE

# Reliability Projects

## $2^{nd}$ Quarter 2026

# Reliability Projects Summary

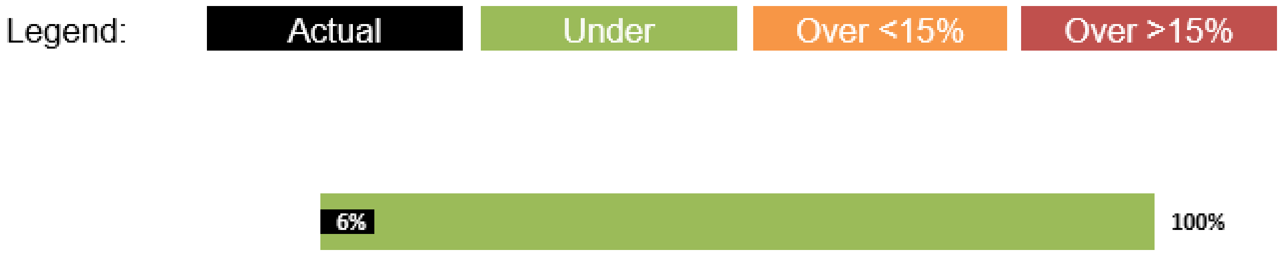
(In Millions)

Legend: Actual | Under | Over <15% | Over >15%

| Project Name | Last Approved | Actual-to-Date | Forecast | Approved | Physically Complete | Financial Status |
|---|---|---|---|---|---|---|
| **Reliability** | | | | | | |
| Beluga Structure Repair | 12/10/2025 | $0.3 | $4.3 | $4.3 | 0% | 6% / 100% |
| Kincaid Substation Installation | 4/22/2026 | $0.5 | $23.9 | $23.9 | 0% | 2% / 100% |
| Gambell OH/UG | 4/22/2026 | $0.5 | $11.0 | $11.0 | 0% | 4% / 100% |
| Whittier Shore Power | 12/10/2025 | $2.1 | $11.4 | $11.4 | 20% | 18% / 100% |
| LaTouche Substation Rebuild | 8/28/2024 | $6.9 | $7.2 | $7.2 | 100% | 95% / 100% |
| Campbell Lake Substation Rebuild | 3/22/2023 | $2.3 | $8.6 | $8.6 | 36% | 27% / 100% |
| Bragaw OH/UG | 4/23/2025 | $8.2 | $9.1 | $9.1 | 100% | 90% / 100% |
| **Total Reliability** | | **$20.8** | **$75.5** | **$75.5** | | |

# Beluga Structure Repair

- Approved – 12/10/2025
- Project Manager – S. Chanonto
- Physically Complete – 0%
- Approval Amount – $4.3M
- Actuals – $0.3M
- Forecast – $4.3M



# Beluga Structure Repair

Phase 2 construction contract awarded. Contractor is preparing permit applications and construction will start in December 2026.

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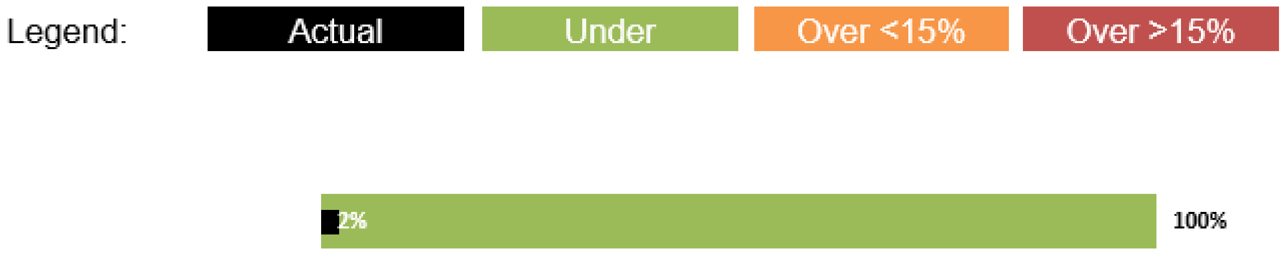
# Kincaid Substation Installation

- Approved – 4/22/26
- Project Manager – P. Johnson
- Physically Complete – 0%

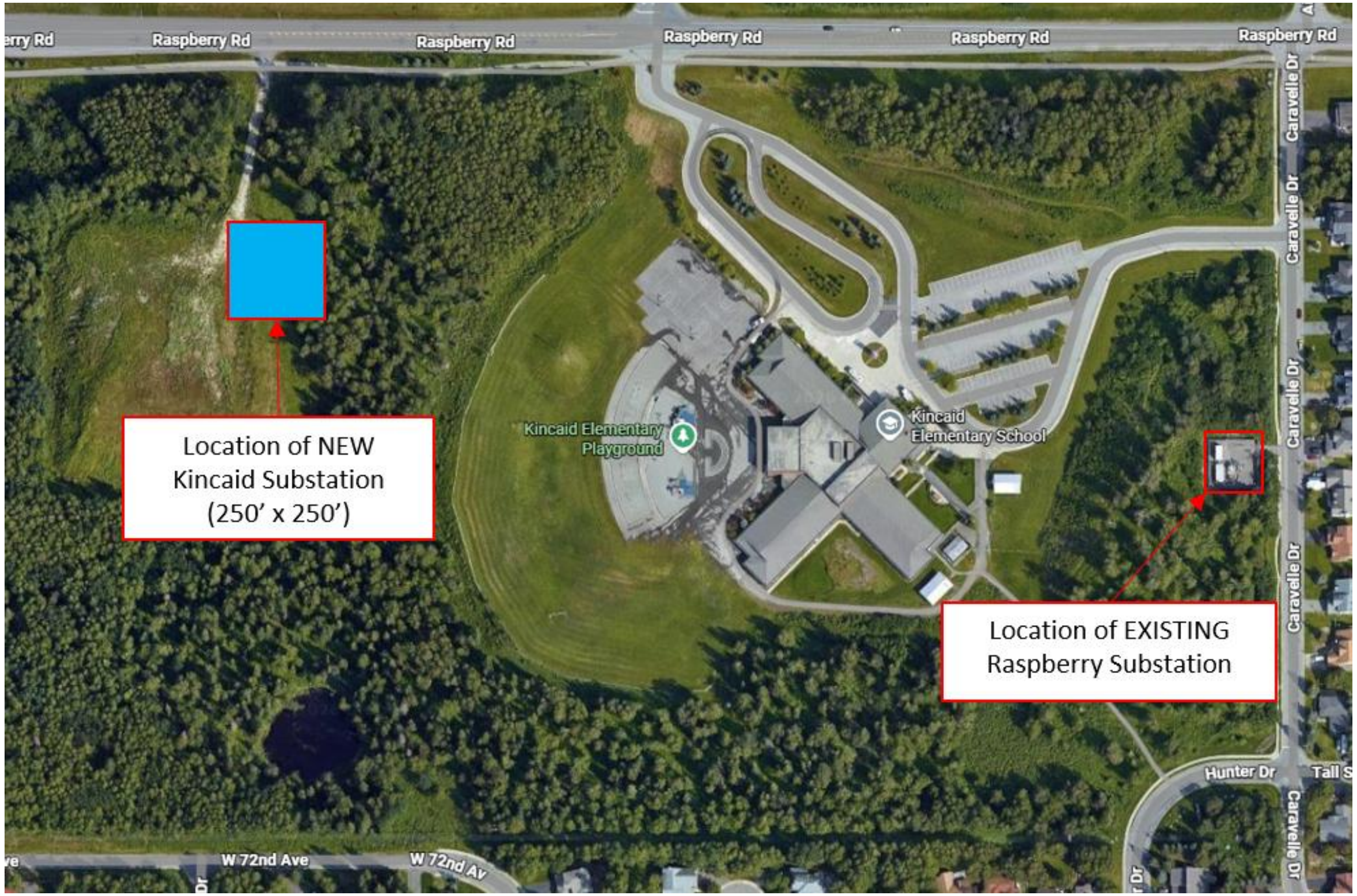
- Approval Amount – $23.9M
- Actuals – $0.5M
- Forecast – $23.9M



# Kincaid Substation Installation

Construction of the new Kincaid Substation will increase capacity, support future load growth, and strengthen long-term system reliability. The project replaces the Raspberry Substation, which has reached the end of its service life.

Substation design activities are nearing completion, switchgear contract negotiations are underway, and ACS leased fiber has been secured. Development of the distribution reconnection plan is in progress and is expected to be completed by December 25, 2026.

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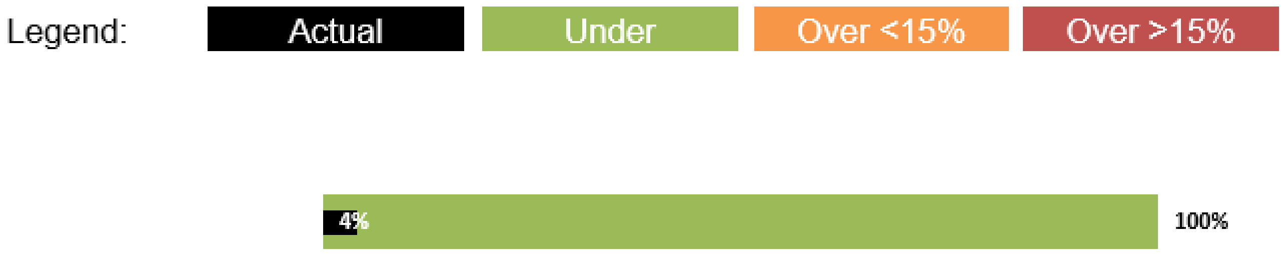
# Gambell OH/UG

- Approved – 4/22/26
- Project Manager – D. Thornton
- Physically Complete – 0%
- Approval Amount – $11.0M
- Actuals – $0.5M
- Forecast – $11.0M

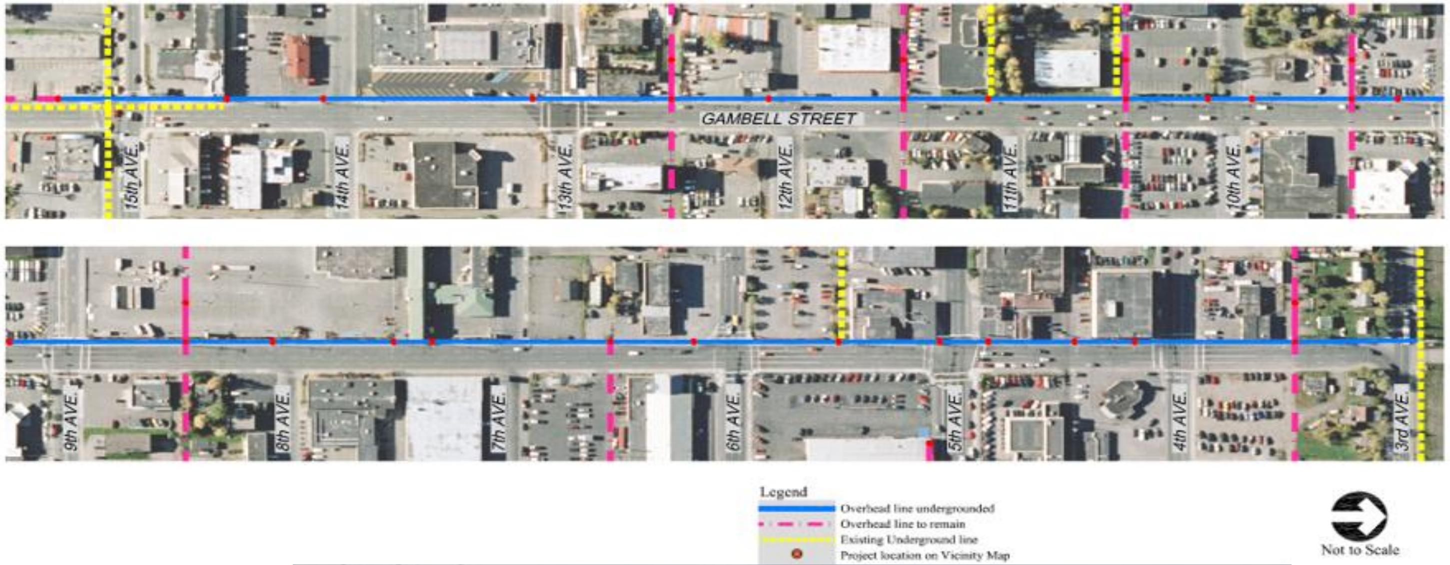


# Gambell OH/UG

This project replaces existing overhead 12kV and 35kV with new underground cables and facilities along Gambell Street from 3rd Avenue to 16th Avenue. This is a high-priority project from the Fairview Community Council, Alaska DOT, and the Municipality of Anchorage.

A majority of the poles will remain in place to support lighting along Gambell Street. A separate DOT project the following year will install new steel streetlight poles, and the CEA wood poles will then be removed.

This project is expected start in August of 2026.

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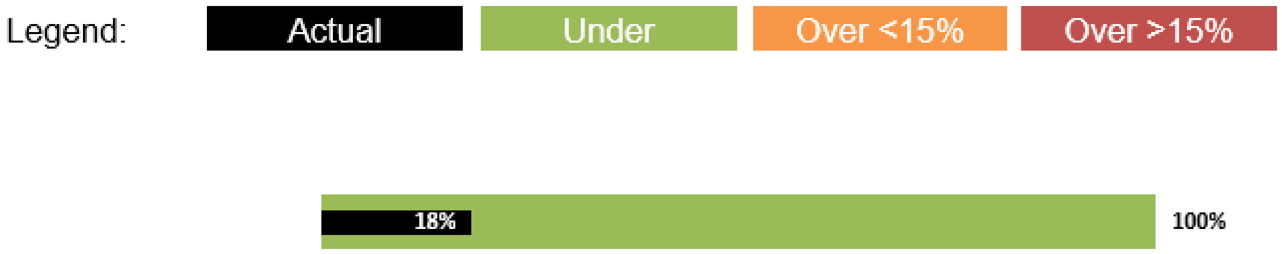
# Whittier Shore Power

- Approved – 12/10/2025
- Project Manager – D. Thornton
- Physically Complete – 20%
- Approval Amount – $11.4M
- Actuals – $2.1M
- Forecast – $11.4M



# Whittier Shore Power

The phase 1 distribution  portion of the project in Whittier was completed by Chugach internal crews. Phase 2, the feeder rebuild between Portage Substation, and the tunnel has construction scheduled to start in September 2026 to April 2027.



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# LaTouche Substation Rebuild

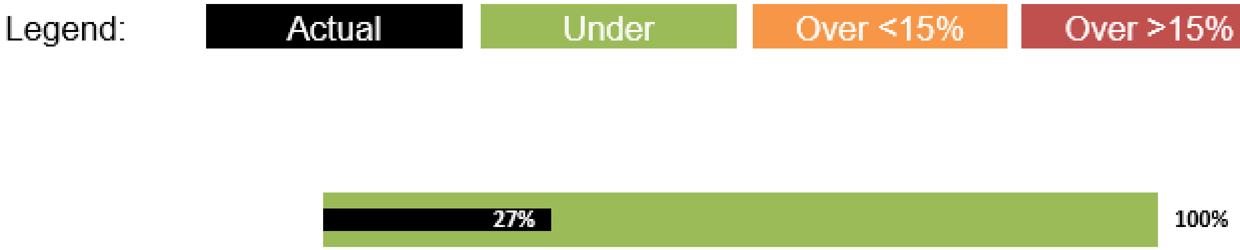
- Approved – 8/28/2024
- Project Manager – N. Niglye
- Physically Complete – 100%
- Approval Amount – $7.2M
- Actuals – $6.9M
- Forecast – $7.2M

# LaTouche Substation Rebuild

Construction and commissioning activities are completed, and the station was energized in April of 2026. Finalizing close out of project.

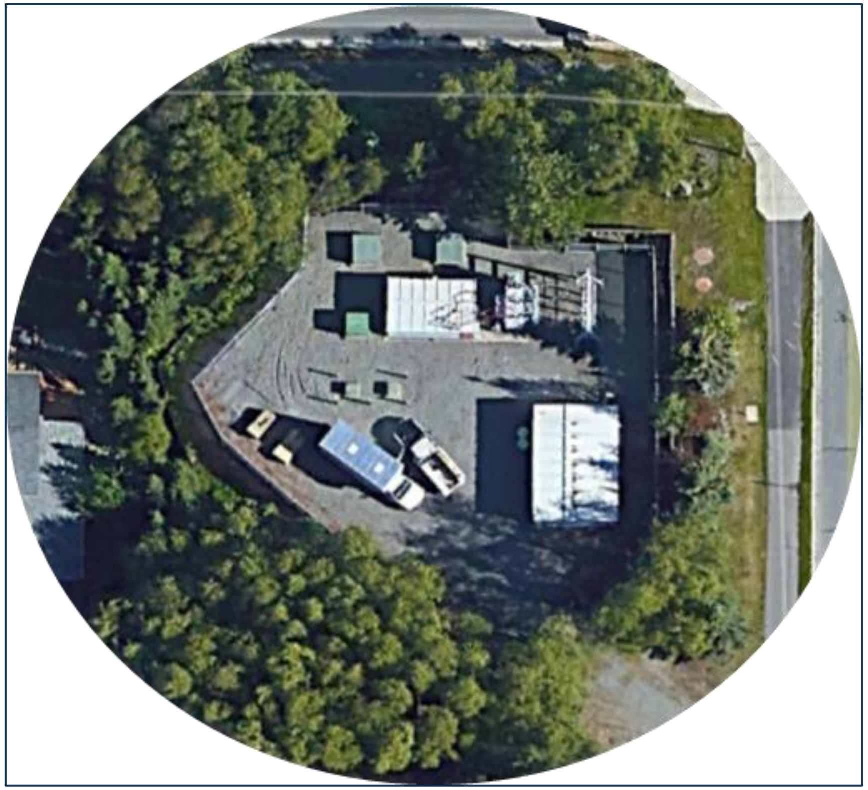
# Campbell Lake Substation Rebuild

- Approved – 03/22/2023
- Project Manager – N. Niglye
- Physically Complete – 36%
- Approval Amount – $8.6M
- Actuals – $2.3M
- Forecast – $8.6M



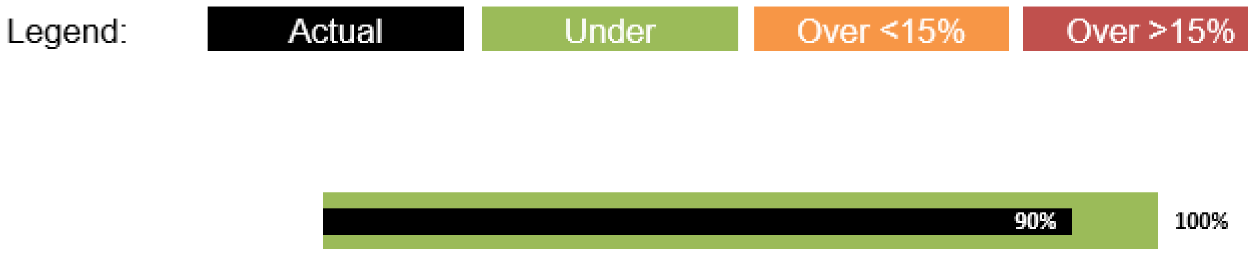
# Campbell Lake Substation Rebuild

A Conditional Use Permit was submitted to the MOA Planning and Zoning Commission. As of June 30, 2026, the date of this report, approval remained pending; however, the Commission approved the Conditional Use Permit at its August 10, 2026, meeting. A seven-day intent to appeal expires on August 17, 2026. If an intent to appeal is filed, the petitioner has twenty days to file the appeal. If no appeal is filed, the switchgear RFB will be issued for bids.



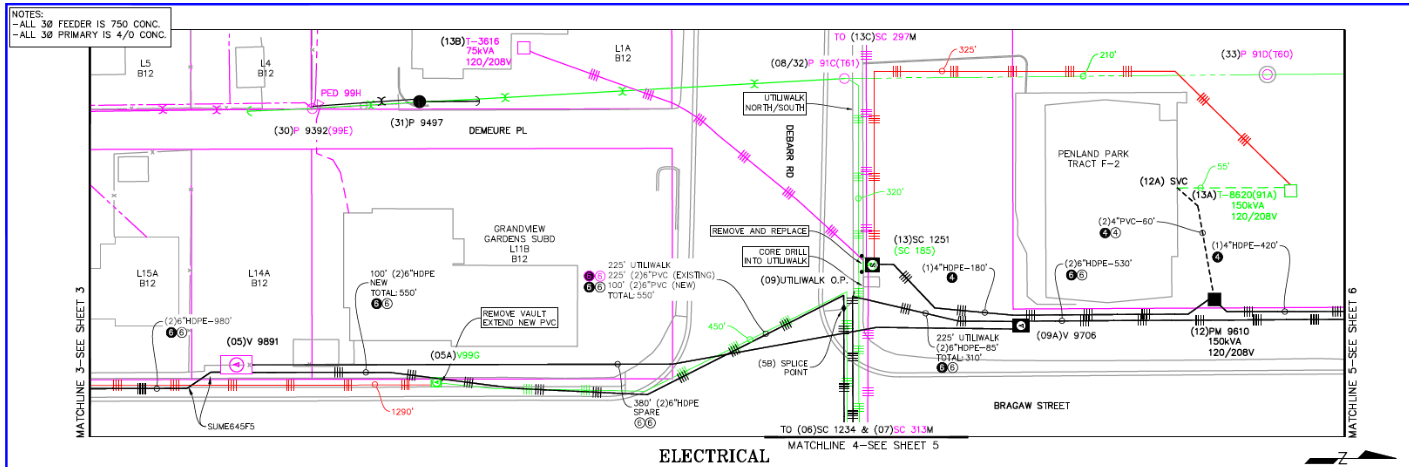
# Bragaw OH/UG- Phase 1

- Approved – 4/23/25
- Project Manager – D. Thornton
- Physically Complete – 100%
- Approval Amount – $9.1M
- Actuals – $8.2M
- Forecast – $9.1M



# Bragaw OH/UG - Phase 1

Construction activities began in late May 2025. Underground installation was completed and energized in November 2025. Internal crews removed existing poles in May. Remaining tasks expected to be completed in the coming months.



# Retirement & Replacement Projects

## 2nd Quarter 2026

# Retirements & Replacements Projects Summary

| Project Name | Last Approved | Actual-to-Date | Forecast | Approved | Physically Complete | Financial Status |
|---|---|---|---|---|---|---|
| | | (In Millions) | | | Legend: | Actual / Under / Over<15% / Over>15% |
| **Retirements & Replacements** | | | | | | |
| Sullivan Unit 9 Major Overhaul | 4/22/2026 | $9.0 | $12.0 | $14.0 | 75% | 64% / 86% |
| 115kV T-Line Rebuild Girdwood to Indian | 1/24/2024 | $31.8 | $32.1 | $31.0 | 98% | 103% / 104% |
| **Total Retirement** | | **$40.8** | **$44.1** | **$45.0** | | |

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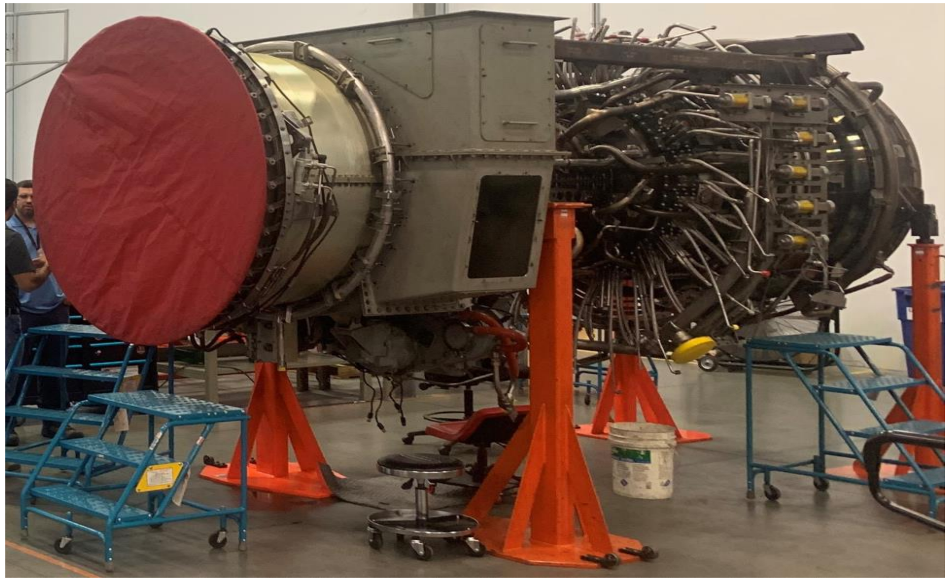
# Sullivan Unit 9 Major Overhaul

- Approved – 4/22/2026
- Project Manager – N. Lewis
- Physically Complete – 75%
- Approval Amount – $14.0M
- Actuals – $9.0M
- Forecast – $12.0M

# Sullivan Unit 9 Major Overhaul

Repair work continues and in June TransCanada Turbines, TCT, received news from GE Engineering that certain parts of the high-pressure compressor can be repaired and don't have to be replaced lowering total project cost estimate. Overall repairs and turbine rebuild continue and it is expected we will receive the repaired engine before the end of the year.



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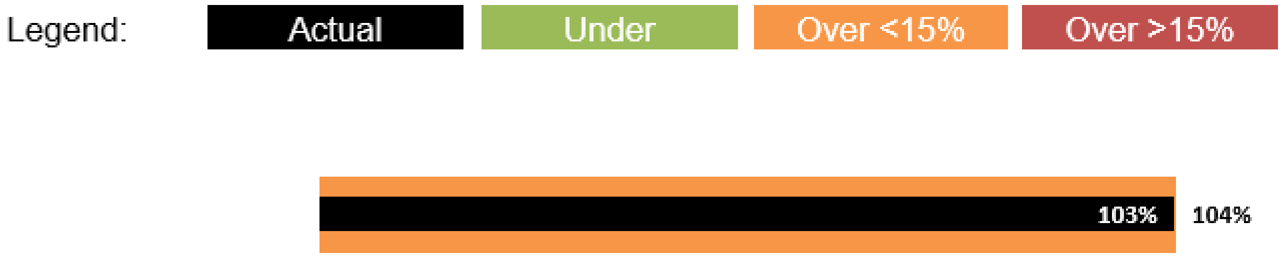
# 115kV T-Line Rebuild Girdwood to Indian

- Approved – 1/24/2024
- Project Manager – N. Niglye
- Physically Complete – 98%
- Approval Amount – $31.0M
- Actuals – $31.8M
- Forecast – $32.1M



# 115kV T-Line Rebuild Girdwood to Indian

Construction complete pending fiber install at the Girdwood Substation.

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# Operating Efficiency Projects

## 2nd Quarter 2026

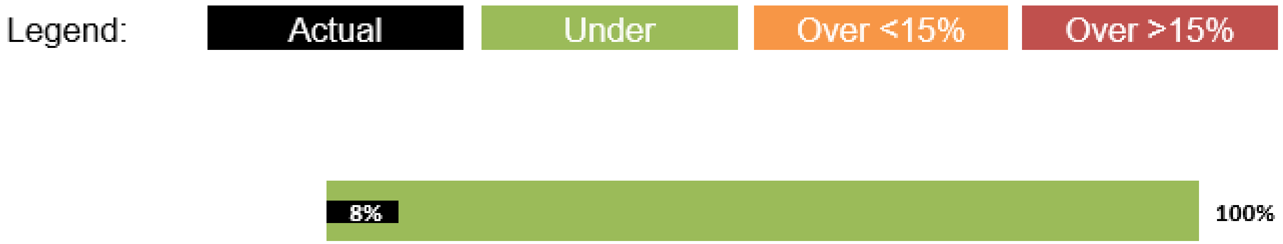
POWERING ALASKA'S FUTURE

# Operating Efficiency Projects Summary

| Project Name | Last Approved | Actual-to-Date | Forecast | Approved | Physically Complete | Financial Status |
|---|---|---|---|---|---|---|
| | | (In Millions) | | | | Legend: Actual, Under, Over<15%, Over>15% |
| **Operating Efficiency** | | | | | | |
| Beluga Solar Power | 10/22/2025 | $2.2 | $26.4 | $26.4 | 15% | 8% 100% |
| Cooper Landing Operations Center | 2/25/2026 | $1.3 | $9.8 | $9.8 | 0% | 13% 100% |
| CIS/ERP Replacement | 9/16/2024 | $18.0 | $26.0 | $25.2 | 25% | 71% 103% |
| **Total Operating Efficiency** | | **$21.5** | **$62.2** | **$61.4** | | |

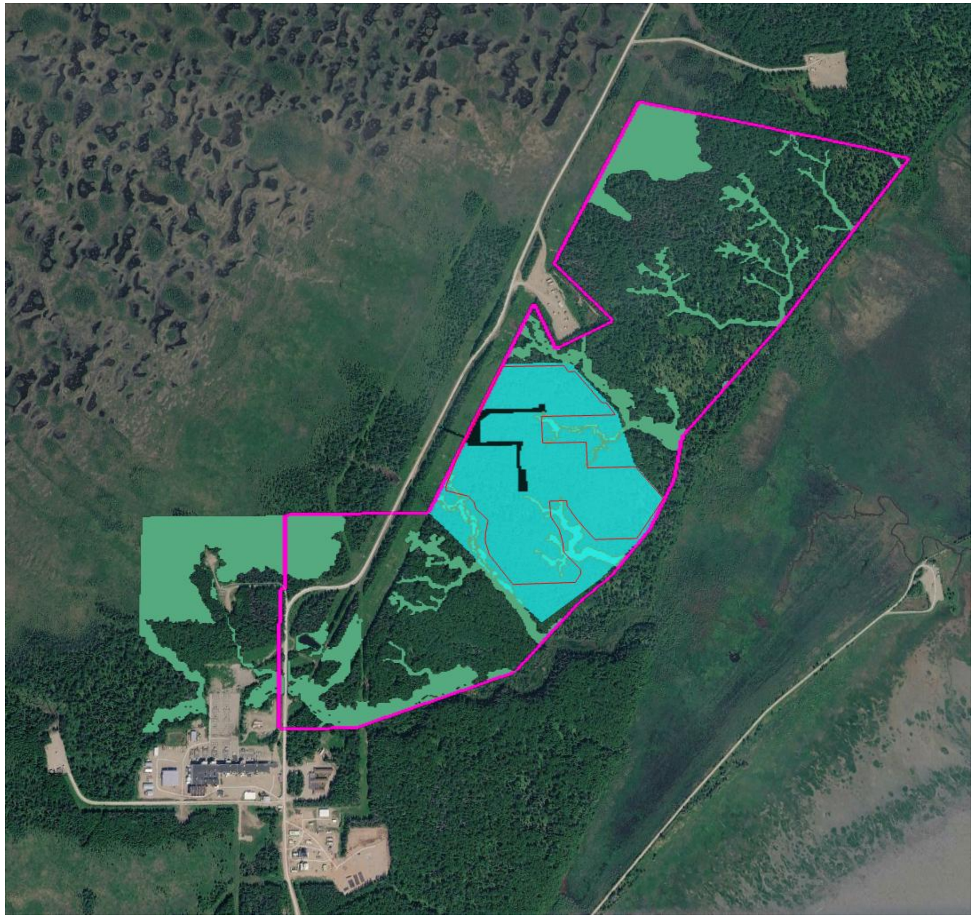
# Beluga Solar Power

- Approved – 10/22/2025
- Project Manager – D. Highers
- Physically Complete – 15%
- Approval Amount – $26.4M
- Actuals – $2.2M
- Forecast – $26.4M



# Beluga Solar Power

After project approval, Chugach installed initial communications equipment in December 2025 and then completed a second work package prior to the 7/4/2026 deadline to solidify our eligibility for Investment Tax Credits. The scope of work changed in 2Q 2026 given demand for the original Chugach project footprint for other purposes. No rework was required other than engineering, and the project team is proceeding with the relocation of solar facilities to the CIRI land, soon to be under lease.



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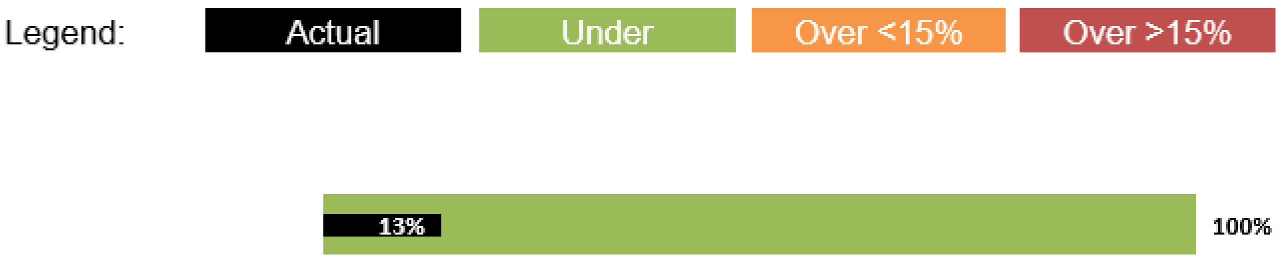
# Cooper Landing Operations Center

- Approved – 02/25/2026
- Project Manager – J. Resnick
- Physically Complete – 0%

- Approval Amount – $9.8M
- Actuals – $1.3M
- Forecast – $9.8M

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# Cooper Landing Operations Center

Construction is well under way.  The foundation has been poured, and the well and septic are installed.  The project is on schedule.


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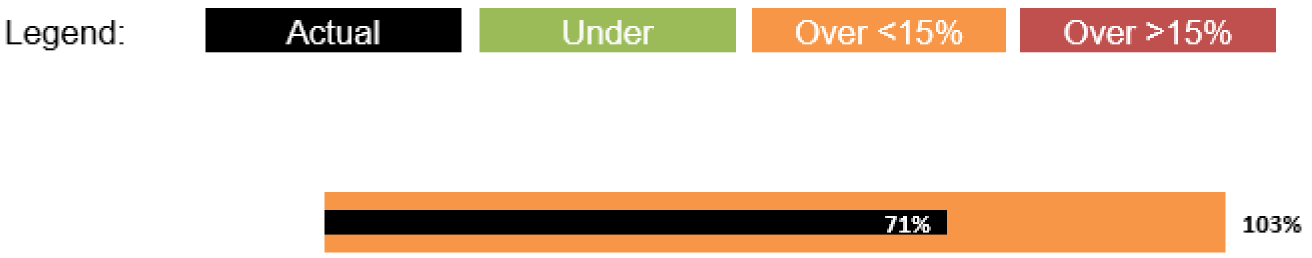
# CIS/ERP Replacement

- Approved – 09/16/2024
- Project Manager – J. Travis
- Physically Complete – 25%
- Approval Amount – $25.2M
- Actuals – $18.0M
- Forecast – $26.0M



# CIS/ERP Replacement

The CIS portion of the project has been closed out. IT staff are working with stakeholders to reaffirm system business requirements and determine next steps.

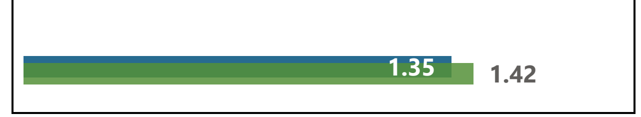

# YTD June 2026 Financial Dashboard

| | | | | | |
|---|---|---|---|---|---|
| **101.6%** | **101.3%** | **98.9%** | **111.7%** | **83.8%** | **51.6%** |
| Firm Sales % of Budget | Firm Base Revenue % of Budget | OPEX % to Budget (No F&PP) | F&PP % of Budget | Margin % of Budget | Capital % of Budget |

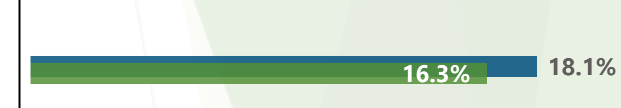
**Legend**
- Actual
- Budget

YTD MFI/I to Budget

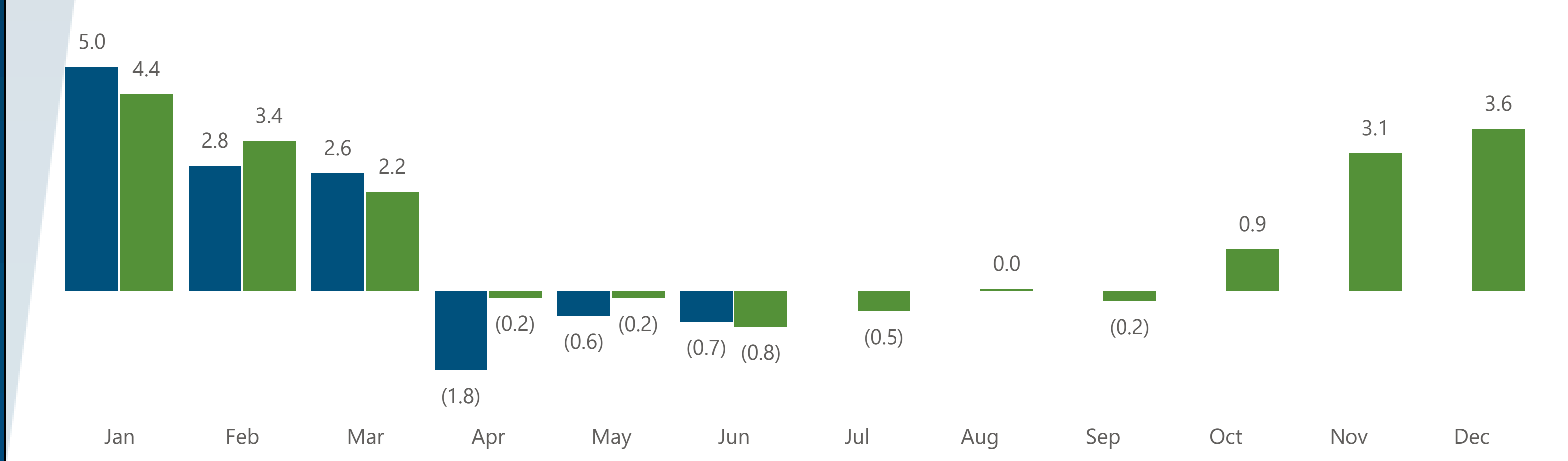

YTD TIER to Budget



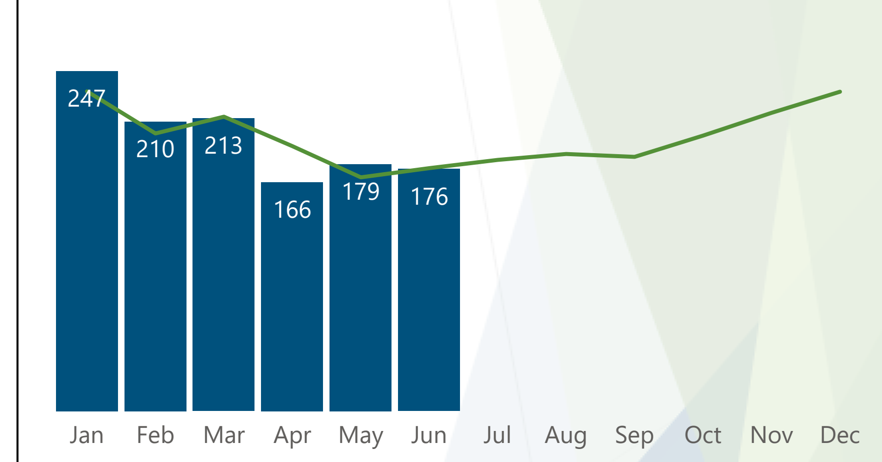

Equity/Cap % to Budget*



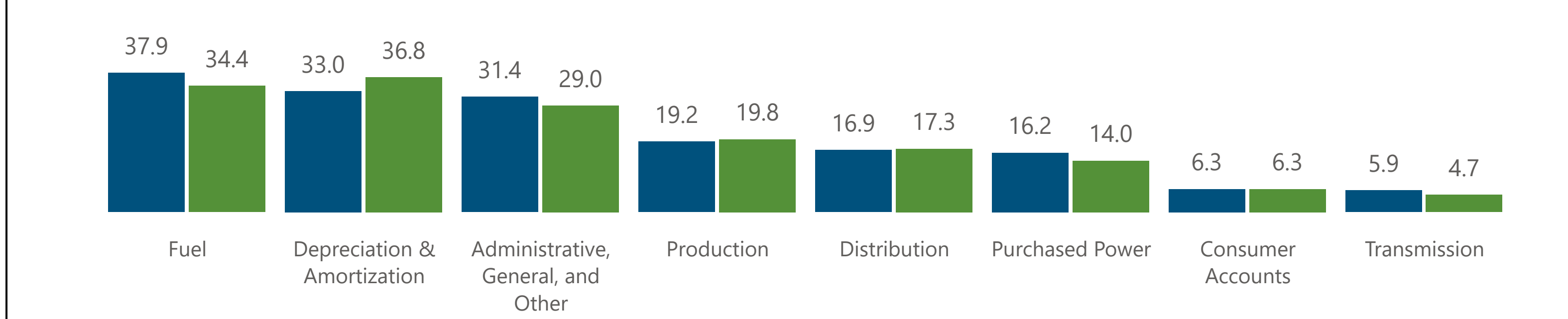

## Margin by Month ($M)



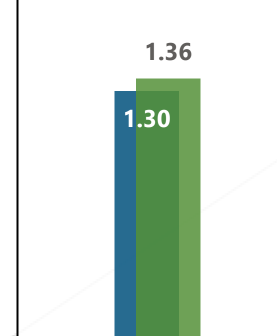

## Total Sales by Month (MWh)



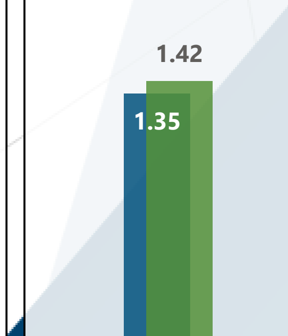

## Operating Expenses ($M)



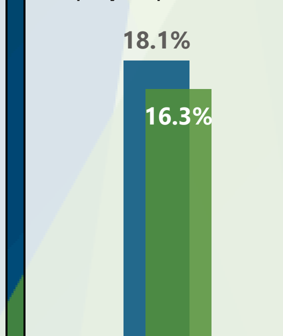

MFI/I to EMP*




TIER to EMP*




Equity/Cap % to EMP*




*Budget and EMP at 12/31/26

CHUGACH ELECTRIC ASSOCIATION, INC.
STATEMENT OF OPERATIONS
MONTH ENDING JUNE 30, 2026

*In thousands*

| CATEGORY | ACTUAL | BUDGET | VARIANCE |
|---|---|---|---|
| **Operating Revenue** | **$ 28,770** | **$ 28,183** | **$ 587** |
| Fuel | 4,771 | 3,930 | 841 |
| Production | 3,116 | 3,274 | (158) |
| Purchase Power | 2,402 | 2,223 | 179 |
| Transmission | 759 | 961 | (202) |
| Distribution | 2,674 | 2,909 | (235) |
| Consumer accounts | 1,119 | 1,084 | 35 |
| Administrative, General and Other | 5,061 | 5,035 | 25 |
| Depreciation & Amortization | 5,895 | 6,187 | (292) |
| **Total Operating Expenses** | **25,797** | **25,603** | **194** |
| Long-term Debt and Other | 4,192 | 4,181 | 10 |
| Charged To Construction | (93) | (238) | 145 |
| **Interest Expense, Net** | **4,099** | **3,944** | **155** |
| **Net Operating Margins** | **(1,126)** | **(1,364)** | **238** |
| Interest Income | 336 | 176 | 160 |
| Allowance For Funds Used During Construction | 19 | 257 | (237) |
| Capital Credits, Patronage Dividends And Other | 71 | 124 | (53) |
| **Total Nonoperating Margins** | **427** | **556** | **(130)** |
| **Assignable Margins** | **(699)** | **(808)** | **109** |

**CHUGACH ELECTRIC ASSOCIATION, INC**
**CONSOLIDATED STATEMENT OF OPERATIONS**
**FOR THE SIX MONTHS ENDING JUNE 30, 2026**

*in thousands*

| CATEGORY | ACTUAL | BUDGET | VARIANCE |
|---|---|---|---|
| **Operating Revenue** | **$ 196,165** | **$ 192,502** | **$ 3,663** |
| Fuel | 37,900 | 34,415 | 3,485 |
| Production | 19,221 | 19,844 | (623) |
| Purchase Power | 16,173 | 13,997 | 2,176 |
| Transmission | 5,923 | 4,678 | 1,244 |
| Distribution | 16,889 | 17,267 | (377) |
| Consumer Accounts | 6,260 | 6,291 | (31) |
| Administrative, General and Other | 31,394 | 29,042 | 2,353 |
| Depreciation & Amortization | 32,972 | 36,769 | (3,796) |
| **Total Operating Expenses** | **166,733** | **162,303** | **4,430** |
| Long-term Debt and Other | 25,144 | 24,786 | 358 |
| Charged to Construction | (558) | (951) | 392 |
| **Interest Expense, Net** | **24,585** | **23,835** | **750** |
| **Net Operating Margins** | **4,846** | **6,363** | **(1,517)** |
| Interest Income | 1,426 | 1,044 | 381 |
| Allowance For Funds Used During Construction | 116 | 739 | (624) |
| Capital Credits, Patronage Dividends and Other | 1,060 | 744 | 316 |
| **Total Nonoperating Margins** | **2,601** | **2,527** | **74** |
| **Assignable Margins** | **7,447** | **8,890** | **(1,444)** |

**COMPARATIVE FINANCIAL REPORT**
**CONSOLIDATED STATEMENT OF OPERATIONS**
**MONTH ENDING JUNE 30, 2026 AND 2025**

*In thousands*

| CATEGORY | 2026 | 2025 | VARIANCE |
|---|---|---|---|
| **Operating Revenue** | **$ 28,770** | **$ 28,934** | **$ (164)** |
| | | | |
| Fuel | 4,771 | 5,643 | (872) |
| Production | 3,116 | 3,064 | 52 |
| Purchase Power | 2,402 | 2,410 | (8) |
| Transmission | 759 | 1,085 | (326) |
| Distribution | 2,674 | 2,324 | 350 |
| Consumer accounts | 1,119 | 1,078 | 41 |
| Administrative, General and Other | 5,061 | 5,423 | (362) |
| Depreciation & Amortization | 5,895 | 5,293 | 602 |
| **Total Operating expenses** | **25,797** | **26,321** | **(524)** |
| | | | |
| Long-term debt and other | 4,192 | 4,208 | (16) |
| Charged to construction | (93) | (232) | 139 |
| **Interest Expense, Net** | **4,099** | **3,976** | **122** |
| | | | |
| **Net operating margins** | **(1,126)** | **(1,364)** | **238** |
| | | | |
| Interest Income | 336 | 302 | 34 |
| Allowance for funds used during construction | 19 | 43 | (24) |
| Capital credits, patronage dividends and others | 71 | 53 | 18 |
| **Total nonoperating margins** | **427** | **398** | **28** |
| | | | |
| **Assignable margins** | **(699)** | **(965)** | **267** |

| CHUGACH ELECTRIC ASSOCIATION, INC<br>STATEMENT OF OPERATIONS<br>FOR THE SIX MONTHS ENDING JUNE 30, 2026 and 2025 | | | |
|---|---|---|---|
| | | | *in thousands* |
| **CATEGORY** | **2026** | **2025** | **VARIANCE** |
| **Operating Revenue** | **$ 196,165** | **$ 185,900** | **$ 10,264** |
| | | | |
| Fuel | 37,900 | 38,025 | (124) |
| Production | 19,221 | 18,302 | 919 |
| Purchase Power | 16,173 | 15,085 | 1,088 |
| Transmission | 5,923 | 4,684 | 1,239 |
| Distribution | 16,889 | 15,956 | 933 |
| Consumer Accounts | 6,260 | 6,094 | 166 |
| Administrative, General and Other | 31,394 | 27,758 | 3,637 |
| Depreciation & Amortization | 32,972 | 35,830 | (2,858) |
| **Total Operating Expenses** | **166,733** | **161,733** | **5,000** |
| | | | |
| Long-term Debt and Other | 25,144 | 25,778 | (634) |
| Charged to Construction | (558) | (1,243) | 685 |
| **Interest Expense, Net** | **24,585** | **24,535** | **51** |
| | | | |
| **Net Operating Margins** | **4,846** | **(367)** | **5,213** |
| | | | |
| Interest Income | 1,426 | 1,437 | (11) |
| Allowance For Funds Used During Construction | 116 | 232 | (117) |
| Capital Credits, Patronage Dividends and Other | 1,060 | 494 | 565 |
| **Total Nonoperating Margins** | **2,601** | **2,164** | **438** |
| | | | |
| **Assignable Margins** | **7,447** | **1,796** | **5,651** |

**CHUGACH ELECTRIC ASSOCIATION, INC.**
**CONSOLIDATED BALANCE SHEET**
**AS OF JUNE 30, 2026 AND DECEMBER 31, 2025**

*in thousands*

| ASSETS & OTHER DEBITS | Unaudited 6/30/2026 | Audited 12/31/2025 | CHANGE |
|---|---|---|---|
| Electric Plant in Service | $ 2,404,480 | $ 2,357,942 | $ 46,538 |
| Construction Work in Progress | 63,493 | 86,599 | (23,106) |
| **Total Utility Plant** | **2,467,973** | **2,444,541** | **23,432** |
| Accum. Prov. for Depreciation/Amortization | (925,145) | (893,679) | (31,466) |
| **Net Utility Plant** | **1,542,828** | **1,550,862** | **(8,034)** |
| Nonutility Property - Net | 77 | 77 | 0 |
| Operating Lease Right-of-use Assets | 3,944 | 3,963 | (19) |
| Financing Lease Right-of-use Assets | 168 | 179 | (11) |
| Investment in Assoc. Organizations | 5,881 | 6,060 | (179) |
| Special Funds | 57,323 | 48,443 | 8,880 |
| Restricted Cash Equivalents & Other | 30 | 30 | 0 |
| Long-term Prepayments | 224 | 64 | 160 |
| **Total Other Property & Investments** | **67,647** | **58,816** | **8,831** |
| Cash & Restricted Cash | 9,348 | 27,292 | (17,944) |
| Special Deposits | 61 | 61 | 0 |
| Restricted Cash Equivalents | 500 | 500 | 0 |
| Fuel Cost / Other Under Recovery | 9,309 | 4,833 | 4,476 |
| BRU Capital Surcharge Under - Recovery | 30,822 | 39,541 | (8,719) |
| Accounts Receivable - Net | 48,480 | 57,650 | (9,170) |
| Materials and Supplies | 65,910 | 61,711 | 4,199 |
| Fuel Stock | 15,971 | 14,491 | 1,480 |
| Prepayments | 6,788 | 6,497 | 291 |
| Other Current Assets | 5,935 | 7,241 | (1,306) |
| **Total Current & Accrued Assets** | **193,124** | **219,817** | **(26,693)** |
| Deferred Debits | 94,837 | 96,684 | (1,847) |
| **Total Assets & Other Debits** | **1,898,436** | **1,926,180** | **(27,744)** |

| LIABILITIES & OTHER CREDITS | Unaudited 6/30/2026 | Audited 12/31/2025 | CHANGE |
|---|---|---|---|
| Memberships | $ 2,065 | $ 2,065 | $ (0) |
| Patronage Capital | 220,252 | 212,895 | 7,357 |
| Other | 18,910 | 18,529 | 381 |
| **Total Margins & Equities** | **241,227** | **233,489** | **7,738** |
| Bonds Payable | 1,087,283 | 1,124,100 | (36,817) |
| Notes Payable | 6,384 | 7,752 | (1,368) |
| Unamortized Debt Issuance Costs | (5,609) | (5,799) | 190 |
| Operating Lease Liabilities | 3,901 | 3,921 | (20) |
| Financing Lease Liabilities | 167 | 175 | (8) |
| **Total Long-Term Debt** | **1,092,126** | **1,130,148** | **(38,022)** |
| Current Installment Of Long-term Obligations | 59,603 | 60,060 | (457) |
| Commercial Paper | 187,000 | 192,000 | (5,000) |
| Accounts Payable | 22,509 | 21,422 | 1,087 |
| Consumer Deposits | 1,372 | 1,540 | (168) |
| Accrued Interest | 10,259 | 10,588 | (329) |
| Salary, Wages and Benefits | 13,519 | 12,818 | 701 |
| Fuel Payable | 6,061 | 6,170 | (109) |
| Undergrounding Ordinance Liabilities | 1,091 | 0 | 1,091 |
| Other Current Liabilities | 7,564 | 4,652 | 2,912 |
| **Total Current Liabilities** | **308,978** | **309,250** | **(272)** |
| Deferred Compensation | 1,901 | 1,894 | 7 |
| Other Liabilities, Non-Current | 1,129 | 909 | 220 |
| Deferred Liabilities | 19,406 | 15,120 | 4,286 |
| BRU Regulatory Liability | 55,760 | 61,023 | (5,263) |
| Cost of Removal Obligation | 177,909 | 174,346 | 3,563 |
| **Total Liabilities & Other Credits** | **1,898,436** | **1,926,180** | **(27,744)** |