

METROPOLITAN  
UTILITIES DISTRICT



2025

# ANNUAL REPORT



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## To Our Customer-owners,

Each year, we take this opportunity to reflect on how Metropolitan Utilities District has served our community and strengthened the systems that deliver life's essentials of safe drinking water and reliable natural gas to the more than 600,000 people who depend on us every day.

In 2025, that commitment was expressed through action. We continued to modernize our infrastructure, invest in new technology and reinforce our dedication to safety, stewardship and service. Every step we take advances our mission to provide high-quality, cost-effective utility services that enhance the quality of life in our community.

### RELIABILITY, SAFETY AND INFRASTRUCTURE RENEWAL

This year, the District made significant progress toward replacing and upgrading critical infrastructure. Crews replaced 15.5 miles of high-risk water mains, contributing to a total of over 183 miles replaced since 2008, while additional miles were proactively inspected and assessed for future replacement needs. These efforts directly enhance service reliability and reduce water main breaks, which saves ratepayer dollars and limits community disruption.

Our Lead Service Line Replacement (LSLR) Program, launched in 2024, continued to progress in 2025. This 10-year, \$160 million initiative, which is one of the largest public health infrastructure efforts in our history, will remove all known lead and galvanized steel service lines serving our customers. The LSLR Program is supported through federal and state funding, including infrastructure grants that help reduce the financial burden on customers while protecting public health.

On the gas side, the District advanced its Gas Infrastructure Replacement Program,

funded in part by the federal Natural Gas Distribution Infrastructure Safety Modernization grant program, which strengthens system safety and reliability while reducing emissions. Collectively, these water and gas programs represent the most comprehensive infrastructure modernization effort in the District's history.

The District's infrastructure investments don't just strengthen our distribution system; they strengthen our regional economy. According to the American Water Works Association, every \$1 million invested in water infrastructure generates \$2.5 million in total economic output, \$1.4 million in Gross Domestic Product (GDP), \$837,000 in labor income and supports 10 or more local jobs.

Using these metrics, the District's \$42 million annual Water Infrastructure Replacement Program contributes roughly \$105 million in economic output, \$58.8 million in regional GDP, \$35 million in labor income and supports about 420 local jobs each year.

When combined with our lead line replacements, gas main upgrades and plant improvements, the total regional benefit of our capital programs exceeds half a billion dollars in local economic activity over the coming decade. Beyond the numbers, each project represents a visible investment in safety, reliability and long-term prosperity for the communities we serve.

### RECOGNITION FOR ETHICS, SAFETY AND SUSTAINABILITY

The integrity and professionalism of our employees continue to earn national recognition. In 2025, the Better Business Bureau honored the District with its Torch Award for Ethics, celebrating organizations that exemplify honesty, transparency and fairness.

Our fleet was ranked among the nation's most sustainable, earning the NAFA Green Fleet Award and placing 38th nationally for leadership in environmental stewardship. The Nebraska Safety Council again recognized the District as one of Nebraska's Safest Companies, honoring our Water Department's 12th consecutive year "with distinction" and our Gas Department's continued excellence in safety performance.

Together, these honors affirm the values that guide our work of integrity, accountability and care for both people and the planet.

#### **FINANCIAL STRENGTH, STEWARDSHIP AND AFFORDABILITY**

Fiscal responsibility remains a cornerstone of our service. S&P Global Ratings affirmed the District's water system revenue bonds of AA+ (stable). Fitch Ratings affirmed our gas system bonds at AA+ (stable), recognizing our strong governance, prudent financial management and consistent operating performance.

These ratings demonstrate confidence in the District's ability to invest wisely in infrastructure while maintaining competitive rates and a sound financial foundation for future generations.

As a customer-owned public utility, we understand affordability matters for our customers. That's why the District pursues grants, long-term contracts and cost-saving strategies to limit the impact on customers.

In the 2025 Memphis Light, Gas and Water Survey, M.U.D. ranked fourth lowest in residential natural gas costs and 15th lowest in residential water costs among 40 participating utilities.

#### **SERVING OUR COMMUNITY**

Our employees live and work in the same neighborhoods we serve. Through initiatives like M.U.D. Serves, the Heat the Streets Run & Walk for Warmth and participation in dozens of community events across the metro, our teams give their time, expertise and compassion to help our neighbors.

From lead service replacements to water education programs and emergency response, our work reflects a shared purpose to safeguard health, strengthen our community and deliver service our customer-owners can trust.

#### **LOOKING AHEAD**

The District's Strategic Plan lays a clear path forward, centered on five priorities: Customer Experience, Organizational Excellence, Community Engagement, Strategic Asset Management and Environmental Stewardship. Each goal is rooted in the same guiding principle of service to others that has defined the District for more than a century.

As we continue to modernize our systems, invest in our workforce and deepen our community partnerships, we remain dedicated to earning your trust every day.

On behalf of the Board of Directors and all District employees, thank you for allowing us to serve you. Together, we'll continue building a resilient, responsible and future-ready utility for the Omaha community.



**Mark Doyle**

*President & Secretary  
to the Board*



**Gwen Howard**

*Board Chairperson*

## Then and Now

Prior to 1913, Omaha residents received their water and gas services from private water and gas companies. Fed up with high costs, constant ownership changes and poor service, they voted to take control and ownership of their utilities. And on March 3, 1921, the Nebraska Legislature formed the Metropolitan Utilities District. From that day, we vowed to provide our community with safe, reliable and cost-effective services.

Today, we continue to provide quality services at rates lower than area investor-owned utilities and among the lowest in the Midwest. We proudly serve natural gas to more than 244,000 customer accounts, making us the fifth largest public gas utility in the U.S. We also provide safe drinking water to more than 231,000 customer accounts, meaning we provide life-essential services to more than 600,000 people in the region.

We own and operate three water treatment facilities and an extensive water distribution system capable of supplying over 300 million gallons of water per day to our customers. The tap water we deliver is tested more than 1,000 times per day by our team of chemists and biologists to ensure it meets every federal and state standard outlined by the U.S. Environmental Protection Agency. We also maintain more than 29,000 hydrants for fire protection.

The natural gas we provide is an economical, safe and environmentally-friendly energy option. Natural gas plays a vital role in local electric power production as it complements renewable energy sources because of their inherent intermittency. The District-owned gas storage facilities and long-term pipeline transportation and storage contracts save our customers approximately \$24 million per year in gas supply and pipeline transportation costs. These assets help ensure our customers' homes stay warm even on the coldest days and contribute to increased reliability and cost savings.

We take natural gas safety very seriously. Our experienced personnel routinely inspect and maintain our natural gas system, and crews are available to respond to emergencies 24/7.

## Our Mission

*Enhance quality of life by delivering safe, reliable and cost-effective natural gas and water, essential for today and future generations.*

## Our Vision

*Surpass customer expectations while committing to the growth of a vibrant community.*

## Core Principles

- *Integrity*
- *Care*
- *Safety and Security*
- *Fiscal Responsibility*
- *Reliability and Resilience*
- *Innovation*
- *Growth*

# Our Board of Directors

The District is governed by a board of seven directors, elected by our customer-owners. The board generally meets the first Wednesday of every month at the headquarters at 7350 World Communications Drive. Committee and regular board meetings are open to the public. Meetings are livestreamed and posted later to the website.



**Gwen Howard**  
*Board Chairperson*



**Tanya Cook**  
*Vice Chairperson*



**Tim Cavanaugh**  
*Director*



**Jim Begley**  
*Director*



**David J. Friend**  
*Director*



**Mike McGowan**  
*Director*



**Bob Sidzyik**  
*Director*

# Our Senior Management



**Mark Doyle**  
*President & Secretary to the Board*



**Steve Ausdemore**  
*SVP, Safety, Security & Field Operations*



**Steve Dickas**  
*SVP, Chief Financial Officer*



**Mark Mendenhall**  
*SVP, General Counsel*



**Kendall Minor**  
*SVP, Chief Operations Officer*

## Statistical Highlights

### Gas Department

	2023	2024	2025
Number of Customers (Dec.)	241,080	242,687	244,399
Sales (Dth):			
Firm	28,726,337	27,126,240	28,903,627
Interruptible	4,199,835	4,503,965	4,307,763
Total	32,926,172	31,630,205	33,211,390
Operating Revenues (net)	\$255,933,175	\$217,655,978	\$236,005,608
Cost of Gas Sold	\$143,384,526	\$104,022,598	\$136,272,232
Other Operating Expenses	\$73,543,842	\$79,298,716	\$81,054,930
Operating Income	\$39,004,807	\$34,334,664	\$18,678,446
Plant Additions/ Replacements (net)	\$91,905,485	\$104,181,289	\$101,733,808
Plant in Service	\$755,488,019	\$798,515,026	\$942,731,181
Miles of Mains	2,970	2,994	3,020
Average Daily Sendout (Dth)	98,121	94,323	100,193
# of Active Employees (Water and Gas)	905	913	942

## Water Department

	2023	2024	2025
Number of Customers (Dec.)	227,433	229,270	231,150
Sales (1,000 Gallons)	32,381,759	32,015,811	30,933,029
Operating Revenues (net)	\$162,559,492	\$170,908,533	\$174,305,939
Operating Expenses	\$106,663,577	\$116,681,892	\$124,790,872
Operating Income	\$55,895,915	\$54,226,641	\$49,515,067
Plant Additions/Replacements (net)	\$86,158,744	\$114,953,436	\$91,384,472
Plant in Service	\$1,404,660,992	\$1,473,574,436	\$1,573,186,805
Miles of Mains	3,180	3,204	3,224
Average Daily Pumpage (1,000 Gallons)	98,379	99,684	99,912

# Financial Stability Measures

	2024	2025	
<b>Debt Service Coverage</b> The District continues to be in compliance with water and gas revenue bond debt service requirements.	Water Debt Service Coverage Ratios	4.45x	4.47x
	Gas Debt Service Coverage Ratios	3.89x	4.16x
	Debt Service Coverage Requirements	1.20x	1.20x
<b>Cash Reserves</b> Days cash on hand as of December 31.	Water Department	353 Days	354 Days
	Gas Department	421 Days	327 Days
<b>Pension Funding</b> Continued focus on the promise to our employees related to proper pension plan funding.	Funded Ratio (Actuarial Value of Assets/ Actuarial Liability)	94%	97%
<b>Other Post-Employment Benefits (OPEB) Funding</b> Continued focus on the promise to our employees related to proper OPEB plan funding.	District Contribution to OPEB Trust Fund (\$ in millions)	\$7.8	\$5.3

# Credit Rating

## Gas Revenue Bonds

Fitch Ratings (September 2025)	S&P Global Ratings (March 2025)
<b>AA+</b>	<b>AA+</b>

## Water Revenue Bonds

S&P Global Ratings (February 2026)	Moody's Ratings (February 2026)
<b>AA+</b>	<b>Aa2</b>



## Heat the Streets

**\$228,940**

Raised during the 2025 Heat the Streets Run & Walk for Warmth — a record amount

**1,106**

Runners and walkers participated — a record number

## Utility Assistance

**\$324,388**

In utility assistance given to **845** households

**\$384**

The average amount given per household

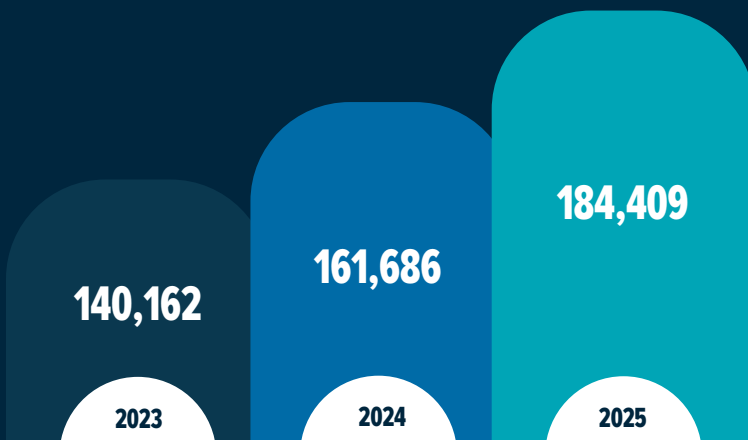
# 31.5%

Decrease in gas emergency response time since 2015.



# 203,341

Gas and water lines located by the District in 2025.



Our locators are responsible for locating and marking underground water and gas lines for the public's safety. Here at the District, we have a team of 29 employees who use specialized equipment to identify our underground gas and water lines. As the metro area undergoes many changes and new construction, the team ensures safe work in the community.

*The utility locating division is essential to the District's mission of providing safe, reliable and cost-effective natural gas and water services to the community.*

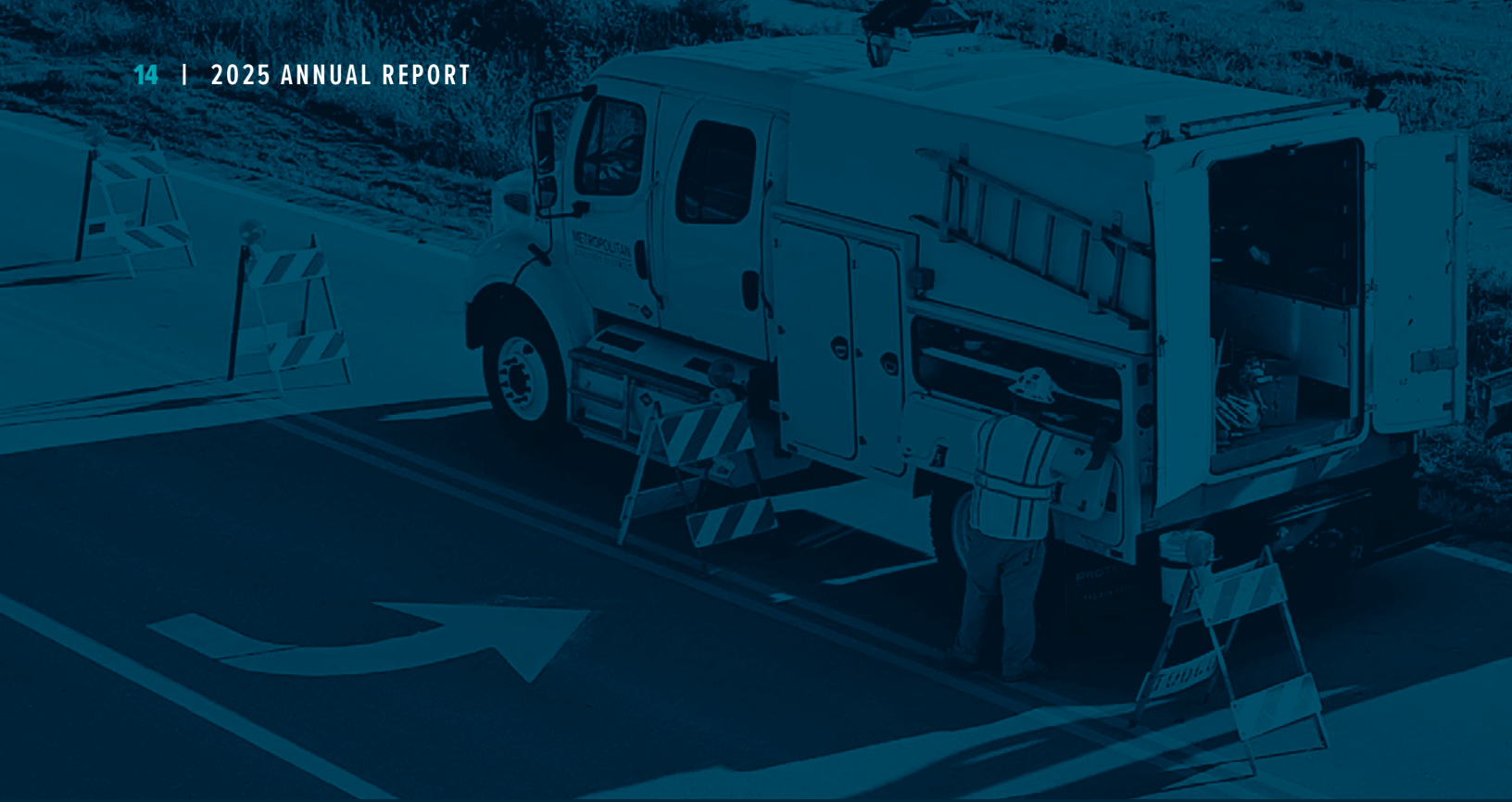
# Compressed Natural Gas (CNG)

# 302,585

Gallons of CNG dispensed in 2025

	2024	2025
North Gate	2,106	1,374
M.U.D.	16,812	18,692
Hilltop	10,408	5,423
UPS	161,048	153,664
Metro Buses	34,728	54,200
FCC	65,600	69,232
<b>TOTAL</b>	<b>290,702</b>	<b>302,585</b>





## Gas Infrastructure Replacement Program

**2.1 miles**

Of cast iron gas mains replaced in 2025

**1,655**

Inside gas meters moved in 2025

## From 2008 – 2025, the District replaced:

**481**

Miles of cast iron gas mains

**58,096**

Gas services



## PHMSA Year 1 Grant: We completed...

**762**

Total service replacements

**10**

Miles of new gas mains

Funding from the 2022 PHMSA grant is benefiting four gas infrastructure replacement projects.  
**The funding supports:**

Design and construction of **15 miles** of gas infrastructure using plastic pipe

Abandonment of **15.4 miles** of existing gas infrastructure

Replacement of more than **1,380 gas services**

Replacement and relocation of **988 inside gas meters**

Replacement and modernization of **711 outside gas meters**



## Water Infrastructure Replacement Program

**15.5 miles**

Of water mains assessed  
or replaced in 2025

From 2008 – 2025, the District replaced:

**183**

Miles of  
water mains

# Detect. Correct. Protect.

M.U.D.'s Lead Service Line Replacement Program is a 10-year plan to replace all the lead service lines in our community.

**11,870**

Lead service lines identified  
in the Omaha metro area

**710**

Lead service lines  
replaced in 2025

**\$0**

Cost to our customers to have  
their lead service lines replaced



## Years of Service

40+

**10**  
EMPLOYEES

30-39

**39**  
EMPLOYEES

20-29

**152**  
EMPLOYEES

10-19

**234**  
EMPLOYEES

0-9

**450**  
EMPLOYEES

## New Hires

**84**  
HOURLY

**13**  
SALARY

**10**  
INTERN/TEMP

**20**  
SUMMER

## Promotions and Transfers

**138**  
HOURLY  
POSITIONS

**18**  
SALARY  
POSITIONS

**14**  
HOURLY  
TO SALARY

*Represents full-time employees only.*



## Employee Wellness

481

Employees submitted forms for participation in the 2025 Wellness Reimbursement Program

618

Employees participated in one or both of the Wellness Reimbursement program or Personal Health Assessment

300

Spouses completed a Personal Health Assessment through the BCBS partner platform

495

Employees completed a Personal Health Assessment through the BCBS partner platform

## Employee Training & Development

798+

Hours of training programs and development completed by District supervisors



19

Technical trainings

20

Career development classes

75

Employees attended specialized leadership training

41

Employees took advantage of the District's tuition assistance benefit

## Call Center

**356,529**

Calls presented

**1:10**

Average wait time



## Social Media Metrics



**4,281**  
Followers

**2,951,024**  
Impressions

**174**  
Posts



**4,441**  
Followers

**88,771**  
Impressions

**181**  
Tweets



**337,060**  
Members

**81,225**  
Impressions

**36**  
Posts



**3,359**  
Followers

**90,038**  
Impressions

**142**  
Posts



## Customer & Employee Surveys

**200,804**

Total surveys

**11,036**

Total survey responses

## Service Orders

**13,320**

Emergency orders

**97,143**

Non-emergency orders

## Proactive Outreach for IR Projects

**20,167**

Notification letters sent to customers

**2,011**

Calls, texts and emails to customers

**METROPOLITAN UTILITIES DISTRICT**  
Financial Statements and Supplemental Schedules  
December 31, 2025 and 2024  
(With Independent Auditor's Report Thereon)

## METROPOLITAN UTILITIES DISTRICT

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RSM US LLP

### Independent Auditor's Report

Board of Directors  
Metropolitan Utilities District

#### Opinions

We have audited the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Metropolitan Utilities District (the District), as of and for the years ended December 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Metropolitan Utilities District, as of December 31, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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 Audits 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 opinions.

#### 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 12 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 Audits 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 opinions. 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 audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and other postemployment benefit plan and pension schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the supplemental and statistical sections but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic 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 audits 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 basic 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.

*RSM US LLP*

Omaha, Nebraska  
March 27, 2026

## METROPOLITAN UTILITIES DISTRICT

### Management's Discussion and Analysis

December 31, 2025 and 2024

"Management's Discussion and Analysis" presents management's analysis and overview of the Metropolitan Utilities District's (the District) financial condition and activities as of and for the years ended December 31, 2025 and 2024. This information should be read in conjunction with the Financial Statements, Notes to Basic Financial Statements and Required Supplementary Information.

#### Overview of Financial Statements

Management's discussion and analysis serves as an introduction to the financial statements and supplementary information. The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) for proprietary funds of governmental entities.

The statement of net position presents information on the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the District's financial position.

The statement of revenues, expenses, and changes in net position presents information on how the District's net position changed during the year; all revenues and expenses are accounted for in this statement. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods.

The notes to the financial statements provide required disclosures and additional information that is necessary to support the financial statements. The notes begin on page 26.

#### Financial Highlights

The District's overall financial position and results of operations for the current and prior years are summarized in the paragraphs and exhibits to follow.

#### *Gas Department*

	<u>2025</u>		<u>2024</u>		<u>2023</u>	
Sales, volume sold – DTH:						
Firm gas sales	28,903,627	87%	27,126,240	87%	28,726,337	87%
Interruptible gas sales	4,307,763	13	4,503,965	13	4,199,835	13
Total gas sales	<u>33,211,390</u>	<u>100</u>	<u>31,630,205</u>	<u>100</u>	<u>32,926,172</u>	<u>100</u>
Heating degree days	5,413		4,884		5,403	
Customers (at December 31):						
Firm customers	244,379		242,666		241,058	
Interruptible customers	<u>20</u>		<u>21</u>		<u>22</u>	
	<u>244,399</u>		<u>242,687</u>		<u>241,080</u>	

## METROPOLITAN UTILITIES DISTRICT

## Management's Discussion and Analysis

December 31, 2025 and 2024

Gas volumes sold in 2025 increased 1,581,185 DTH, or 5.0% from 2024 due primarily to colder winter weather, as evidenced by the 10.8% increase in the number of heating degree days. There was an increase in firm gas customers in 2025 of 1,713 or 0.7%; the number of interruptible customers decreased by one.

Gas volumes sold in 2024 decreased 1,295,967 DTH, or 3.9% from 2023 due primarily to warmer winter weather, as evidenced by the 9.6% decrease in the number of heating degree days, partially offset by customer growth. There was an increase in firm gas customers in 2024 of 1,608 or 0.7%; the number of interruptible customers decreased by one.

*Gas Department Summary of Results of Operations*

	2025		2024		2023	
Operating revenues:						
Firm and interruptible gas sales	\$ 212,336,395	90%	\$ 195,723,043	90%	\$ 235,535,739	92%
Infrastructure charge	18,225,492	8	17,092,484	8	15,737,944	6
Other	6,067,943	2	5,370,532	2	5,604,386	2
Less bad debt expense	(624,222)	—	(530,081)	—	(944,894)	—
Total operating revenues, net	<u>236,005,608</u>	<u>100%</u>	<u>217,655,978</u>	<u>100%</u>	<u>255,933,175</u>	<u>100%</u>
Operating expenses:						
Cost of natural gas	136,272,232	63%	104,022,598	57%	143,384,526	75%
Other operating expenses	81,054,930	37	79,298,716	43	73,543,842	25
Total operating expenses	<u>217,327,162</u>	<u>100%</u>	<u>183,321,314</u>	<u>100%</u>	<u>216,928,368</u>	<u>100%</u>
Nonoperating revenues (expenses), net	<u>1,502,717</u>		<u>6,527,490</u>		<u>7,084,265</u>	
Income before capital grants	<u>20,181,163</u>		<u>40,862,154</u>		<u>46,089,072</u>	
Capital grants	<u>4,694,980</u>		<u>466,357</u>		<u>—</u>	
Change in net position	<u>24,876,143</u>		<u>41,328,511</u>		<u>46,089,072</u>	
Net position, beginning of year	<u>616,604,763</u>		<u>575,276,252</u>		<u>529,187,180</u>	
Net position, end of year	<u>\$ 641,480,906</u>		<u>\$ 616,604,763</u>		<u>\$ 575,276,252</u>	

Revenues for gas sales, net, were up 8.4% in 2025 vs. 2024, due to a 2.5% increase to the Margin Component of rates and a 6.7% increase to the Infrastructure Charge effective January 2, 2025. Revenues for gas sales, net, were down 15.0% in 2024 vs. 2023, due to a 3.9% decrease in volumes, partially offset by a 2.5% increase to the Margin Component of rates and a 7.1% increase to the Infrastructure Charge effective January 2, 2024.

## METROPOLITAN UTILITIES DISTRICT

### Management's Discussion and Analysis

December 31, 2025 and 2024

Total operating expenses in 2025 were up by \$34.0 million or 18.6% from 2024. In 2025, the cost of natural gas was \$32.2 million, or 31.0% higher than 2024, due to increased gas cost (\$27.0 million) and increased volumes (\$5.2 million). In 2025, other operating expenses were \$1.8 million, or 2.2%, higher than 2024 due primarily to increased distribution expense driven by higher locating and heating inspection, increased statutory payments paid to cities due to higher gas sales, partially offset by decreased general and administrative expense due to decreased pension and Other Post Employment Benefit (OPEB) expense. Total operating expenses in 2024 were down by \$33.6 million or 15.5% from 2023. In 2024, the cost of natural gas was \$39.4 million, or 27.4% lower than 2023, due to decreased gas cost (\$33.7 million) and decreased volumes (\$5.6 million). In 2024, other operating expenses were \$5.8 million, or 7.8%, higher than 2023 due primarily to increased administrative and general expense largely due to increased pension and OPEB expense, increased distribution expense driven by higher locating and heating inspection related costs and increased depreciation and amortization expense, partially offset by decreased statutory payments paid to cities due to lower gas sales.

Net non-operating revenues were \$1.5 million in 2025 compared to net non-operating revenues of \$6.5 million in 2024, a change of \$5.0 million. This change was due primarily to lower interest income earnings associated with the Series 2023 Gas Revenue Bonds, which were issued in November 2023. Net non-operating revenues were \$6.5 million in 2024 compared to net non-operating revenues of \$7.1 million in 2023, a change of \$0.6 million. This change was due primarily to higher interest expense associated with the Series 2023 Gas Revenue Bonds, which were issued in November 2023 and insurance proceeds related to a construction center ground settling claim received in 2023. These items were substantially offset by investment earnings on Gas Department cash balances due to increased investable balances.

Capital grant revenue increased \$4.2 million in 2025 compared to \$0.5 million in 2024. Capital grant revenue increased \$0.5 million in 2024 compared to zero in 2023. The District's Capital grant revenue is utilized to replace a portion of the District's gas main infrastructure.

The District contracts with Central Plains Energy Project (CPEP) for a significant portion of its gas purchases. CPEP is a public body created under Nebraska Interlocal Law for the purpose of securing long-term, economical, and reliable gas supplies. CPEP currently has three members: the District, Cedar Falls Utilities, and Hastings Utilities. CPEP has acquired gas through long-term prepaid gas purchase agreements and delivers gas to its members or customers through long-term gas supply contracts for specified volumes of gas at market-based pricing less a contractual discount. Under the current agreements, the District anticipates taking approximately 90% of the combined CPEP gas acquired in these transactions under four 30-year gas purchase agreements, one entered into in 2009 (CPEP #2), one in 2012 (CPEP #3), one in 2018 (CPEP #4) and one in 2022 (CPEP #5). In 2025, the CPEP prepaid gas purchase agreements accounted for approximately 60% of the District's annual natural gas requirements.

Subsequent to litigation, the 2009 long-term prepaid gas purchase contract (CPEP #2) was renegotiated in 2014. The renegotiated contract provided for the following: 1) \$12.5 million up-front proceeds at closing, which was recorded as unearned gas purchase discounts by the District and recognized as a reduction of the cost of natural gas based on the pattern of gas purchases through October 2019; 2) locked-in discounts of \$.16 per DTH for the period November 1, 2014 through October 31, 2019, and 3) the ability to renegotiate discounts for the November 1, 2019 through June 30, 2039. This project was refinanced in 2019 and 2025. The gas flows under this agreement will expire in 2055.

## METROPOLITAN UTILITIES DISTRICT

## Management's Discussion and Analysis

December 31, 2025 and 2024

In 2012 the District participated in CPEP Project 3 Series Transaction (CPEP #3). This agreement is for a 30-year fixed term with defined savings over the life of the project. In 2017 CPEP issued crossover refunding bonds to refinance this transaction. The refinancing increased the District's savings from and after the September 1, 2022 refinancing date.

In November 2018, the District entered into a 30-year gas supply contract with CPEP (CPEP #4) with gas flows commencing on August 1, 2019. This agreement expires on March 1, 2054. In 2023, the District refinanced the 30-yr gas supply contract with CPEP (Project 4). With this refinance, volumes were extended out to 30-years and an Asset Management Agreement (AMA) was entered into with CPEP/J.Aron. Under this AMA agreement, J.Aron will manage transportation demand charges associated with gas purchases. The AMA increased the available gas discount for the District. This agreement is for an additional 6-year term and subject to refinancing before October 31, 2029. The District is not required to purchase gas after the initial 6-year term unless the discount to market is \$.20 per Dth or greater; parties to the agreement believe that it is probable that volumes will be taken for the full 30-year duration of the agreement.

In 2022, the District entered into a 30-year gas supply contract with CPEP (CPEP #5). In addition to the prepaid gas included in this agreement, the District also entered into an Asset Management Agreement (AMA) with CPEP/J.Aron to manage the transportation demand charges associated with gas purchased under this agreement. This additional AMA increased the available gas discount for the District. This agreement is for an initial 7-year term and subject to refinancing at the end of this term. After this initial term, CPEP, and the counterparty to the transaction, will negotiate an extension of the contractual gas discounts based on market rates at that time. The District is not required to purchase gas after the initial 7-year term unless the discount to market is \$.25 per Dth or greater; parties to the agreement believe that it is probable that volumes will be taken for the full 30-year duration of the agreement.

In addition to the aforementioned activity with CPEP, the District is party to three other significant gas supply agreements, discussed below, which accounted for approximately 11% of the District's annual natural gas requirements in 2025. Including CPEP, prepaid transactions accounted for approximately 71% of the District's annual gas supply in 2025.

In 2017, the District entered into a 30-year gas supply contract with the Tennessee Energy Acquisition Corporation (TEAC) for three to four percent of our annual gas requirements. In 2023, the District refinanced this transaction for an additional 5-year term. Part of this refinance extended volumes out to 30-years. After the additional 5-year term, TEAC, and the counterparty to the transaction, will negotiate an extension of the contractual gas discounts based on future interest rate levels at that time. The District is not required to purchase gas after the initial 5-year term unless the discount to market is \$.20 per Dth or greater; parties to the agreement believe that it is probable that volumes will be taken for the full 30-year duration of the agreement.

In February 2018, the District entered into a 30-year gas supply contract with the Public Energy Authority of Kentucky (PEAK) for approximately five percent of our annual gas requirements. Gas flows commenced on April 1, 2018, and the District will achieve total gas cost savings of \$1.7 million vs. market prices over the initial 5-year term of the deal. In 2023, the District and PEAK worked to refinance the agreement for an additional 7-year term. This agreement is currently scheduled to expire in 2053. After the additional 7-year term, PEAK, and the counterparty to the transaction, will negotiate an extension of the contractual gas discounts based on market rates at that time. The District is not required to purchase gas after this extension 7-year term unless the discount to market is \$.20 per Dth or greater; parties to the agreement believe that it is probable that volumes will be taken for the full 30-year duration of the agreement.

METROPOLITAN UTILITIES DISTRICT

Management's Discussion and Analysis

December 31, 2025 and 2024

In March 2018, the District entered into a 30-year gas supply contract with the Black Belt Energy Gas District (Black Belt) for approximately three percent of our annual gas requirements. In 2023 the District refinanced the transaction through December 31, 2028. After this additional 5-year term, Black Belt, and the counterparty to the transaction, will negotiate an extension of the contractual gas discounts based on market rates at that time. The District is not required to purchase gas after the initial 5-year term unless the discount to market is \$.20 per Dth or greater; parties to the agreement believe that it is probable that volumes will be taken for the full 30-year duration of the agreement.

***Gas Department Summary Financial Position***

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Capital assets, net	\$ 756,145,633	\$ 689,545,813	\$ 616,420,719
Noncurrent assets	48,764,838	51,680,920	110,361,442
Current assets	<u>270,623,943</u>	<u>314,614,121</u>	<u>277,266,335</u>
Total assets	<u>1,075,534,414</u>	<u>1,055,840,854</u>	<u>1,004,048,496</u>
Deferred outflows of resources			
Pension amounts	5,587,753	7,693,901	15,938,198
OPEB amounts	<u>2,357,613</u>	<u>3,355,683</u>	<u>1,392,310</u>
Total deferred outflows of resources	<u>7,945,366</u>	<u>11,049,584</u>	<u>17,330,508</u>
Total assets and deferred outflows of resources	<u>\$ 1,083,479,780</u>	<u>\$ 1,066,890,438</u>	<u>\$ 1,021,379,004</u>
Deferred inflows of resources			
Pension amounts	\$ 32,321,219	\$ 2,624,069	\$ 1,628,796
OPEB amounts	29,306,694	7,750,014	10,165,709
Lease amounts	2,575,171	2,631,357	2,687,542
Contributions in aid of construction	<u>53,914,386</u>	<u>42,631,048</u>	<u>41,830,029</u>
Total deferred inflows of resources	<u>118,117,470</u>	<u>55,636,488</u>	<u>56,312,076</u>
Current liabilities	102,331,168	114,149,651	90,321,203
Noncurrent liabilities	<u>221,550,236</u>	<u>280,499,536</u>	<u>299,469,472</u>
Total liabilities	<u>323,881,404</u>	<u>394,649,187</u>	<u>389,790,675</u>
Net position:			
Net investment in capital assets	501,157,243	470,344,142	442,054,853
Restricted	22,387,386	1,642,710	1,529,636
Unrestricted	<u>117,936,277</u>	<u>144,617,911</u>	<u>131,691,763</u>
Total net position	<u>641,480,906</u>	<u>616,604,763</u>	<u>575,276,252</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,083,479,780</u>	<u>\$ 1,066,890,438</u>	<u>\$ 1,021,379,003</u>

## METROPOLITAN UTILITIES DISTRICT

## Management's Discussion and Analysis

December 31, 2025 and 2024

**Gas Department Long-Term Debt Activity**

The following table summarizes the long-term debt of the Gas Department at December 31, 2025 and 2024.

	<b>Balance at December 31, 2024</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance at December 31, 2025</b>
Gas Revenue Bonds				
Series 2018	\$ 24,520,000	\$ -	\$ 1,395,000	\$ 23,125,000
Plus unamortized premium	686,719	-	84,681	602,038
Gas Revenue Bonds				
Series 2022	105,425,000	-	3,875,000	101,550,000
Plus unamortized premium	12,402,116	-	1,309,074	11,093,042
Gas Revenue Bonds				
Series 2023	81,695,000	-	2,675,000	79,020,000
Plus unamortized premium	4,710,034	-	413,490	4,296,544
	<u>\$ 229,438,869</u>	<u>\$ -</u>	<u>\$ 9,752,245</u>	<u>\$ 219,686,624</u>

At December 31, 2025 and 2024, the District's long-term debt included \$23,125,000 and \$24,520,000, respectively of Series 2018 gas revenue bonds outstanding. During 2025 and 2024, respectively, the District made principal payments of \$1,395,000 and \$1,330,000 towards its outstanding Series 2018 gas revenue bonds.

At December 31, 2025 and 2024, the District's long-term debt included \$101,550,000 and \$105,425,000, respectively of Series 2022 gas revenue bonds outstanding. During 2025 and 2024, respectively, the District made principal payments of \$3,875,000 and \$3,695,000 towards its outstanding Series 2022 gas revenue bonds. At December 31, 2025 and 2024, the District's net bond proceeds were approximately \$0.1 and \$4.0 million, respectively.

At December 31, 2025 and 2024, the District's long-term debt included \$79,020,000 and \$81,695,000, respectively of Series 2023 gas revenue bonds outstanding. During 2025 the District made principal payments of \$2,675,000 towards its outstanding Series 2023 gas revenue bonds. During 2024 the District made principal payments of \$2,290,000 towards its outstanding Series 2023 gas revenue bonds. At December 31, 2025 and 2024, the District's net bond proceeds remaining were approximately \$31.4 million and \$75.2 million, respectively.

## METROPOLITAN UTILITIES DISTRICT

### Management's Discussion and Analysis

December 31, 2025 and 2024

#### ***Gas Department Long-Term Debt Covenant Compliance***

##### **Series 2018, Series 2022 and Series 2023 Gas Revenue Bonds**

The District was in compliance with the provisions of the Series 2018, 2022 and 2023 gas revenue bond covenants at December 31, 2025, 2024 and 2023. Relative to these bond offerings, the District covenants that it will fix, establish, and maintain rates or charges for natural gas, services, or facilities supplied or furnished by the District that will provide an amount sufficient to pay current expenses and to generate net revenue at least equal to the sum of: (a) 120% of the amount equal to the average principal and interest requirements on the bonds, including any parity revenue bonds, then outstanding; and (b) 100% of the amount required to pay any other unpaid long term obligations (excluding current expenses) and any other unpaid indebtedness of the District (including any amounts required to be accumulated and maintained as reserves therefore) that are payable from system revenues, as the same shall become due.

Funds available for debt service exceeded amounts required by covenants by approximately \$47.6 million, \$43.4 million and \$45.9 million for 2025, 2024 and 2023, respectively. Please see the chart below for debt service coverage ratio information:

	2025	2024	2023
Debt service coverage ratios	4.16x	3.89x	4.10x
Debt service coverage requirements	1.20x	1.20x	1.20x

#### ***Credit Ratings and Liquidity***

In October 2023, Moody's Investors Service rated the Series 2023 Gas Revenue Bonds Aa2 and affirmed the Aa2 rating of the District's gas enterprise system, citing a "growing and diverse service area and consistently strong operating performance that supports strong liquidity and healthy debt service coverage." In September 2025, Fitch Ratings affirmed the District's AA+ Issuer Default Rating, citing the District's "strong financial performance, demonstrated by healthy operating margins, consistently low leverage, and robust liquidity position...". In March 2025, S&P Global Ratings affirmed its AA+ rating of the District's gas system as part of the District's obligations under certain of its gas purchase contracts, citing "an enterprise profile highlighted by a deep and diverse customer base."

The District continues to focus on maintaining strong liquidity for the Gas Department through adherence to disciplined financial and operational management practices. These efforts have resulted in consistently strong liquidity as demonstrated by "days cash on hand" of 317 days at year end 2025, as compared with 421 days at year-end 2024 and 330 days at year end 2023. The decrease in days cash on hand at year end 2025 is primarily due to the spend down of revenue bonds for capital expenditures. Consistent with the decrease in "days cash on hand" from 2024 to 2025, unrestricted cash balances decreased by \$11.4 million, to \$176.5 million.

## METROPOLITAN UTILITIES DISTRICT

## Management's Discussion and Analysis

December 31, 2025 and 2024

The Gas Department's liquidity is further enhanced by a \$10,000,000 unsecured line of credit that may be drawn upon by both the Gas and Water Departments. The current unsecured line of credit matures July 1, 2026. The interest rate on the line of credit is variable and is calculated based on the "U.S. Prime Rate" less 2.63 percentage points, with a minimum rate of 1.95%. As of December 31, 2025, the interest rate was 4.12% and no amount was outstanding. The Gas Department did not draw on the line of credit during 2025, 2024, or 2023.

***Gas Department Capital Asset Activity***

The District remains committed to expending the funds necessary to allow for continued safe and reliable delivery of natural gas to the District's customers. A key component of this commitment is addressing the District's aging infrastructure, as evidenced by the District's ongoing efforts to replace all remaining cast iron gas mains, approximately 73 miles, over the next five years; the District expended \$18.7 million to improve infrastructure and replace cast iron gas mains in 2025, \$19.0 million in 2024 and \$18.1 million in 2023. Significant projects in 2025 and 2024 are as follows:

In 2025, capital and construction-related costs totaled \$101.7 million, consisting of:

- 1) Gas mains and distribution: \$29.6 million;
- 2) New construction center: \$28.8 million;
- 3) Cast iron infrastructure replacement: \$18.7 million (discussed above);
- 4) Furniture, equipment and all other general plant: \$11.1 million;
- 5) Vehicles: \$7.4 million;
- 6) Construction center improvements: \$3.0 million;
- 7) Liquefied natural gas plant improvements: \$2.7 million;
- 8) Other buildings, land and equipment: \$0.4 million.

In 2024, capital and construction-related costs totaled \$104.2 million, consisting of:

- 1) Gas mains and distribution: \$22.7 million;
- 2) Cast iron infrastructure replacement: \$19.0 million (discussed above);
- 3) New construction center: \$18.4 million;
- 4) Liquefied natural gas plant improvements: \$15.8 million;
- 5) Furniture, equipment and all other general plant: \$10.7 million;
- 6) Vehicles: \$9.5 million;
- 7) Information technology-related: \$5.2 million;
- 8) Construction center improvements: \$2.5 million;
- 9) Other buildings, land and equipment: \$0.4 million.

METROPOLITAN UTILITIES DISTRICT

Management's Discussion and Analysis

December 31, 2025 and 2024

**Water Department**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Water sales (million gallons)	30,933.0	32,015.8	32,381.8

In 2025, the volume of water sales decreased 1,082.8 million gallons vs. prior year, or 3.4%, due in part to summer precipitation levels that were approximately 1.21 inches, or 11.05%, above 2024 summer precipitation levels, partially offset by the fact that 2025 average temperatures were 2.1 degrees or 7.4% above normal temperature levels. In 2024, the volume of water sales decreased 365.9 million gallons vs. prior year, or 1.1%, due in part to full year precipitation levels that were approximately 1.1 inches, or 3.4%, above normal annual precipitation levels of 31.9 inches (2024 precipitation was 33.0 inches for the year), partially offset by the fact that full year precipitation totals for 2023 were 7.0 inches below normal (25.0 inches for the year).

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Customers (December 31)	231,150	229,270	227,433

The number of customers at the end of 2025 increased 1,880, or 0.8%, over 2024. The number of customers at the end of 2024 increased 1,837, or 0.8%, over 2023.

**Water Department Summary of Results of Operations**

	<u>2025</u>		<u>2024</u>		<u>2023</u>	
Operating revenues:						
Water sales	\$ 150,349,960	86%	\$ 148,060,282	87%	\$ 141,509,672	87%
Infrastructure charge	19,559,918	11	18,577,324	11	17,215,116	11
Other	4,819,685	3	4,459,141	2	4,081,462	2
Less bad debt expense	(423,624)	—	(188,214)	—	(246,758)	—
Total operating revenues, net	<u>174,305,939</u>	<u>100%</u>	<u>170,908,533</u>	<u>100%</u>	<u>162,559,492</u>	<u>100%</u>
Operating expenses	124,790,872		116,681,892		106,663,577	
Nonoperating expenses (revenues) net	<u>(1,611,446)</u>		<u>2,877,104</u>		<u>3,426,776</u>	
Income before capital grants	51,126,513		51,349,537		52,469,139	
Capital grants	<u>6,312,817</u>		<u>2,076,446</u>		<u>—</u>	
Change in net position	57,439,330		53,425,983		52,469,139	
Net position, beginning of year	<u>575,991,397</u>		<u>522,565,414</u>		<u>470,096,275</u>	
Net position, end of year	<u>\$ 633,430,727</u>		<u>\$ 575,991,397</u>		<u>\$ 522,565,414</u>	

## METROPOLITAN UTILITIES DISTRICT

## Management's Discussion and Analysis

December 31, 2025 and 2024

Operating revenues, net, increased 2.0% in 2025 as compared with 2024 due to an increase to the Commodity Component of rates of 7.5% for residential, commercial, large volume industrial and sprinkling customers effective January 2, 2025, and a 5.3% increase to the Infrastructure Charge effective January 2, 2025, partially offset by decreased usage of 3.4%. Operating revenues, net, increased 5.1% in 2024 as compared with 2023 due to an increase to the Commodity Component of rates of 8.5% for residential, commercial, large volume industrial and sprinkling customers and 9.5% for wholesale customers effective January 2, 2024, a 5.6% increase to the Infrastructure Charge effective January 2, 2024, partially offset by decreased usage associated with precipitation levels that were 1.1 inches above normal in 2024.

Total operating expenses in 2025 were up by \$8.1 million as compared with 2024, or 7.0%, due primarily to increased lead service line replacement expenses due to continued execution of the District's ongoing lead service line replacement program, increased distribution expense driven by higher locating related costs and increased depreciation and amortization expense. These increases were partially offset by decreased pension and OPEB expenses. Total operating expenses in 2024 were up by \$10.0 million as compared with 2023, or 9.4%, due primarily to increased pension and Other Post Employment Benefit (OPEB) expense due to changes in investment returns, increased water purification costs driven by higher cost of chemicals, increased distribution expense driven by higher locating related costs and increased depreciation and amortization expense. These increases were partially offset by decreased costs related to water service reconnections and service replacements.

Net non-operating revenues in 2025 increased by \$4.5 million as compared with 2024, or 156.0%, due primarily to settlement revenue. Settlement revenue increased \$6.0 million in 2025 compared to zero in 2024. The District secured settlement payments from a class action lawsuit between public water systems and per- and polyfluoroalkyl substances (PFAS) manufacturers. The District maintains PFAS levels that are far below the Environmental Protection Agency's established maximum contaminant level. This increase was offset by lower interest income of \$1.4 million. Net non-operating expenses in 2024 decreased by \$0.5 million as compared with 2023, or 16.0%, due primarily to lower interest expense, partially offset by insurance proceeds related to a construction center ground settling claim and a flood claim in 2023.

Capital grant revenue increased \$4.2 million in 2025 compared to \$2.1 million in 2024. The District earned \$6.3 million related to lead service line replacement as the District replaced over 700 lead service lines in 2025. Capital grant revenue increased \$2.1 million in 2024 compared to zero in 2023. The District earned \$1.8 million related to lead service line replacement and \$0.3 million from the state Department of Natural Resources.

METROPOLITAN UTILITIES DISTRICT

Management's Discussion and Analysis

December 31, 2025 and 2024

*Water Summary Financial Position*

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Plant in service, net	\$ 1,238,793,754	\$ 1,179,664,080	\$ 1,093,211,593
Current assets	172,954,760	162,766,641	188,819,088
Noncurrent assets	<u>25,009,492</u>	<u>24,903,949</u>	<u>24,867,312</u>
Total assets	<u>1,436,758,006</u>	<u>1,367,334,670</u>	<u>1,306,897,993</u>
Deferred outflows of resources			
Pension amounts	4,696,561	6,744,188	13,939,522
OPEB amounts	1,985,398	2,936,086	1,232,270
Debt refunding	<u>995,959</u>	<u>1,276,931</u>	<u>1,598,872</u>
Total deferred outflows of resources	<u>7,677,918</u>	<u>10,957,205</u>	<u>16,770,664</u>
Total assets and deferred outflows of resources	<u>\$ 1,444,435,924</u>	<u>\$ 1,378,291,875</u>	<u>\$ 1,323,668,657</u>
Deferred inflows of resources			
Pension amounts	\$ 27,455,274	\$ 2,192,262	\$ 1,308,849
OPEB amounts	24,951,447	6,533,558	8,148,438
Lease amounts	1,063,494	1,153,438	818,218
Contributions in aid of construction	<u>448,087,398</u>	<u>416,598,612</u>	<u>391,700,124</u>
Total deferred inflows of resources	<u>501,557,613</u>	<u>426,477,870</u>	<u>401,975,629</u>
Current liabilities	108,583,741	118,905,319	111,633,485
Noncurrent liabilities	<u>200,863,843</u>	<u>256,917,289</u>	<u>287,494,129</u>
Total liabilities	<u>309,447,584</u>	<u>375,822,608</u>	<u>399,127,614</u>
Net position:			
Net investment in capital assets	578,396,744	570,987,403	495,656,856
Restricted	20,815,185	2,956,574	2,712,450
Unrestricted	<u>34,218,798</u>	<u>2,047,420</u>	<u>24,196,108</u>
Total net position	<u>633,430,727</u>	<u>575,991,397</u>	<u>522,565,414</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,444,435,924</u>	<u>\$ 1,378,291,875</u>	<u>\$ 1,323,668,657</u>

## METROPOLITAN UTILITIES DISTRICT

## Management's Discussion and Analysis

December 31, 2025 and 2024

**Water Department Long-Term Debt Activity**

The following table summarizes the long-term debt of the Water Department at December 31, 2025 and 2024:

	<u>Balance at December 31, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2025</u>
Water Revenue Bonds				
Series 2022	\$ 59,510,000	\$ -	\$ 2,125,000	\$ 57,385,000
Plus unamortized premium	2,873,940	-	275,511	2,598,429
Water Revenue Bonds				
Series 2022	28,975,000	-	1,645,000	27,330,000
Plus unamortized premium	629,927	-	79,558	550,369
Water Revenue Bonds				
Series 2015	109,350,000	-	11,220,000	98,130,000
Plus unamortized premium	3,451,004	-	705,100	2,745,904
Water Revenue Bonds				
Series 2012	20,025,000	-	2,170,000	17,855,000
Plus unamortized premium	1,031,492	-	129,868	901,624
NDEQ Note Payable #2	2,141,441	-	311,784	1,829,657
Drinking Water State				
Revolving Fund (DWSRF)	-	1,693,317	-	1,693,317
	<u>\$ 227,987,804</u>	<u>\$ 1,693,317</u>	<u>\$ 18,661,821</u>	<u>\$ 211,019,300</u>

At December 31, 2025 and 2024, the District's long-term debt included \$57,385,000 and \$59,510,000, respectively of Series 2022 water revenue bonds outstanding. During 2025 and 2024, respectively, the District made principal payments of \$2,125,000 and \$2,025,000 towards its outstanding Series 2022 water revenue bonds. At December 31, 2025 and 2024, \$0.7 million and \$27.2 million, respectively, of the bond proceeds remained.

At December 31, 2025 and 2024, the District's long-term debt included \$27,330,000 and \$28,975,000, respectively, of Series 2018 water revenue bonds outstanding. During 2025 and 2024, respectively, the District made principal payments of \$1,645,000 and \$1,570,000 towards its outstanding Series 2018 water revenue bonds.

At December 31, 2025 and 2024, the District's long-term debt included \$98,130,000 and \$109,350,000 respectively, of Series 2015 water revenue bonds outstanding. During 2025 and 2024, respectively, the District made principal payments of \$11,220,000 and \$10,680,000 towards its outstanding Series 2015 water revenue bonds.

At December 31, 2025 and 2024, the District's long-term debt included \$17,855,000 and \$20,025,000, respectively, of Series 2012 water revenue bonds outstanding. During 2025 and 2024, respectively, the District made principal payments of \$2,170,000 and \$2,095,000 towards its outstanding Series 2012 water revenue bonds.

METROPOLITAN UTILITIES DISTRICT

Management’s Discussion and Analysis

December 31, 2025 and 2024

In 2009, the District entered into an American Recovery and Reinvestment Act loan agreement with the NDEQ for the construction of a contact basin located near its Platte South Water Treatment Plant; the loan is at a 2% interest rate per annum (NDEQ Note Payable #2). This loan provided for \$1,089,775 in loan forgiveness in the form of a grant, at project completion. At December 31, 2025 and 2024, long term obligations for this note were \$1,829,657 and \$2,141,441 respectively. During 2025 and 2024, the District made principal payments of \$311,784 and \$305,641 respectively pursuant to this note payable.

In 2025, The District entered into an DWSRF agreement with the Nebraska Department of Water, Energy and Environment for the replacement of lead service lines; the loan is at a 0% interest rate per annum. This loan was issued for \$40,000,000 and provides for loan forgiveness up to 62%. The District draws proceeds on the loan as lead service lines are replaced. At December 31, 2025, long term obligations for this loan were \$1,693,317.

***Water Department Long-Term Debt Covenant Compliance***

**Series 2012, Series 2015, Series 2018 and Series 2022 Water Revenue Bonds**

The District was in compliance with the provisions of the Series 2012, 2015, 2018 and 2022 water revenue bond covenants at December 31, 2025, 2024 and 2023. Relative to these bond offerings, the District covenants that it will fix, establish, and maintain rates or charges for water, services, or facilities supplied or furnished by the District that will provide an amount sufficient to pay current expenses and to generate net revenue at least equal to the sum of: (a) 120% of the amount equal to the average principal and interest requirements on the bonds, including any parity revenue bonds, then outstanding; and (b) 100% of the amount required to pay any other unpaid long term obligations (excluding current expenses) and any other unpaid indebtedness of the District (including any amounts required to be accumulated and maintained as reserves therefore) that are payable from system revenues, as the same shall become due.

Funds available for debt service exceeded amounts required by covenants by approximately \$50.3 million, \$51.7 million and \$50.4 million for 2025, 2024 and 2023, respectively. Please see the chart below for debt service coverage ratio information:

	2025	2024	2023
Debt service coverage ratios	4.47x	4.45x	4.28x
Debt service coverage requirements	1.20x	1.20x	1.20x

***Credit Ratings and Liquidity***

In February 2026, S&P Global Ratings rated the Series 2026 Water Revenue Bonds AA+ and affirmed the AA+ rating of the District’s water enterprise system , citing the District’s “affordable rates and comprehensive long-term planning.” In February 2026, Moody’s Investors Service rated the Series 2026 Water Revenue Bonds Aa2 and affirmed the Aa2 rating of the District’s water enterprise system, citing a “growing customer base, strong financial performance.”

## METROPOLITAN UTILITIES DISTRICT

## Management's Discussion and Analysis

December 31, 2025 and 2024

The District continues to focus on maintaining strong liquidity for the Water Department through adherence to disciplined financial and operational management practices. These efforts have resulted in consistently strong liquidity as demonstrated by the number of "days cash on hand", with 354 days at year-end 2025 as compared with 353 days at year-end 2024 and 453 days at year-end 2023. The unrestricted cash balance was \$111.2 million at year-end 2025.

The Water Department's liquidity is further enhanced by a \$10,000,000 unsecured line of credit that may be drawn upon by both the Gas and Water Departments. The current Loan Agreement matures July 1, 2026. The interest rate on the line of credit is variable and is calculated based on the "U.S. Prime Rate" less 2.63 percentage points, with a minimum rate of 1.95%. As of December 31, 2023, the interest rate was 4.12% and no amount was outstanding. The Water Department drew on the line of credit in June of 2025 in the amount of \$2,281,640 and paid off the balance in July of 2025. The Water Department did not draw on the line of credit during 2024, or 2023.

***Water Department Capital Asset Activity***

Significant projects in 2025 and 2024 are as follows:

- In 2025, capital and construction-related costs totaled \$91.4 million; significant expenditures for projects completed or in process included:
  - 1) Water mains and distribution: \$33.2 million;
  - 2) Infrastructure replacement (i.e. Cast Iron main abandonment/replacement): \$31.1 million;
  - 3) Platte South Electrical building construction: \$11.1 million;
  - 4) Construction machines: \$4.8 million;
  - 5) Platte West water treatment plant: \$3.8 million;
  - 6) Other buildings, land and equipment: \$3.3 million;
  - 7) Land acquisition and pump stations: \$2.0 million;
  - 8) Furniture, equipment and all other general plant: \$1.8 million;
  - 9) Florence water treatment plant: \$0.3 million.
  
- In 2024, capital and construction-related costs totaled \$114.2 million; significant expenditures for projects completed or in process included:
  - 1) Water mains and distribution: \$58.6 million;
  - 2) Infrastructure replacement (i.e. Cast Iron main abandonment/replacement): \$31.0 million;
  - 3) Florence water treatment plant – Basin 6 refurbishment: \$5.8 million;
  - 4) Platte South Administration building and security upgrades: \$4.7 million;
  - 5) Construction machines: \$4.2 million;
  - 6) Platte South Electrical building construction: \$2.7 million;
  - 7) Furniture, equipment and all other general plant: \$2.6 million;
  - 8) Other buildings, land and equipment: \$2.5 million;
  - 9) Land acquisition for future reservoir and pump station: \$2.1 million.

## METROPOLITAN UTILITIES DISTRICT

### Management's Discussion and Analysis

December 31, 2025 and 2024

#### **Economic Factors and Going Forward**

In December 2025, the Board of Directors approved the District's 2026 budget. The board also approved an increase to gas rate commodity charges. The 2026 budget projects 1.8% overall annual increase in the average residential gas bill as compared with 2025 budget assumptions. In addition, an approved increase to water rate commodity charges will result in a 4.5% overall annual increase to the average residential water bill as compared with 2025 budget assumptions. These gas and water rate increases became effective on January 2, 2026.

The District estimates 2026 revenues of \$265.1 million for the Gas Department and \$190.3 million for the Water Department. The revenues, combined with modest spend-down of cash reserves by the Gas and Water Departments, will be used to fund the District's operating expenditures, natural gas purchases and debt service costs.

The budget funds will allow the District to continue updating aging natural gas and water infrastructure using a rigorous asset management plan. The plan is critical to ensuring the District's customer-owners continue to receive safe, reliable natural gas and water services and meet the needs of the future.

Work was completed to expand the District's liquefied natural gas plant, an on-site storage facility. Financed with revenue bonds, the project has begun to positively impact customer-owners for many years to come by doubling output capacity and providing a hedge against spikes in the market price of natural gas.

Proceeds from gas revenue bonds issued in 2023 are being used to finance a portion of a new construction center and the remodel of an existing construction center. Renovations are underway at the existing construction center and new construction center is set to open in spring of 2026. This facility will improve reliability and business continuity and provide additional space for District employees for generations to come.

System improvements also continue at the District's three water production facilities. These large long-term capital improvement plans are largely financed with bond issuances to spread the costs over time, as the associated benefits will be realized over many years and many generations of our customer-owners.

Work to remove lead water service lines became a significant focus for the District and other water utilities across the nation. The District has replaced over 1,000 (700 in 2025) of these customer-owned service lines since inception of the program. The District plans to replace over 1,000 lead service lines in 2026. The District continues to leverage federal grants and loans rather than rates to fund the program.

The District is committed to financial and operational stability and will continue to responsibly invest in infrastructure, systems and people to serve our customers into the future.

#### **Contact Information**

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the President of the District at 7350 World Communications Drive, Omaha, Nebraska 68122-4041.

METROPOLITAN UTILITIES DISTRICT

Statements of Net Position  
December 31, 2025 and 2024

Assets and Deferred Outflows of Resources	2025					2024				
	Gas Department	Water Department	Eliminations	Business-type Activities Total		Gas Department	Water Department	Eliminations	Business-type Activities Total	
Capital assets:										
Utility plant in service	\$ 942,731,181	1,573,186,805	—	2,515,917,986	\$	798,515,026	1,473,574,728	—	2,272,089,754	
Less accumulated depreciation	284,511,120	446,923,644	—	731,434,764		266,153,262	421,085,918	—	687,239,180	
Right-to-use lease assets	1,047,211	—	—	1,047,211		1,047,211	—	—	1,047,211	
Less accumulated amortization	942,490	—	—	942,490		733,048	—	—	733,048	
Right-to-use SBTA assets	27,870,083	—	—	27,870,083		18,461,708	—	—	18,461,708	
Less accumulated amortization	11,694,118	—	—	11,694,118		8,072,336	—	—	8,072,336	
Construction in progress	674,500,747	1,126,263,161	—	1,800,763,908		543,065,299	1,052,488,810	—	1,595,554,109	
Net capital assets	81,644,886	1,12,530,593	—	194,175,479		146,480,514	1,27,175,270	—	273,655,784	
Noncurrent assets:	756,145,633	1,238,793,754	—	1,994,939,387		689,545,813	1,179,664,080	—	1,869,209,893	
Cash and cash equivalents – restricted	20,398,773	3,939,534	—	24,338,307		32,348,675	22,060,327	—	54,409,002	
Investments - restricted	1,168,841	—	—	1,168,841		13,834,946	—	—	13,834,946	
Net pension asset	20,653,022	17,688,332	—	38,341,354		—	—	—	—	
Lease receivable	2,614,697	1,080,063	—	3,694,760		2,636,342	1,154,663	—	3,791,005	
Other noncurrent assets	3,929,505	2,301,563	—	6,231,068		2,860,957	1,688,959	—	4,549,916	
Total noncurrent assets	48,764,838	25,009,492	—	73,774,330		51,680,920	24,903,949	—	76,584,869	
Current assets:										
Cash and cash equivalents	176,484,520	1,11,181,484	—	287,666,004		187,877,604	101,494,139	—	289,371,743	
Cash and cash equivalents – restricted	1,779,562	2,951,800	—	4,731,362		5,759,375	2,800,610	—	8,559,985	
Investments - restricted	9,843,293	155,406	—	9,998,699		28,881,226	8,490,422	—	37,371,648	
Accounts receivable – customers and others, less allowance for doubtful accounts	50,965,557	39,844,566	—	90,810,123		62,859,192	36,004,093	—	98,863,285	
Interdepartmental receivable	8,478,162	3,783,360	(3,783,360)	—		—	2,341,114	(2,341,114)	—	
Natural gas in storage	7,123,247	—	—	7,123,247		5,895,625	—	—	5,895,625	
Propane in storage	21,644	74,600	—	96,244		7,511,683	71,919	—	7,511,683	
Lease receivable	13,393	15,342	—	28,735		19,063	13,490	—	90,982	
Interest receivable	5,910,914	10,319,717	—	16,230,631		13,489	8,391,042	—	26,979	
Materials and supplies	8,582,749	3,960,342	—	12,543,091		5,550,378	2,728,267	—	13,941,420	
Construction materials	1,420,902	668,143	—	2,089,045		8,389,924	431,545	—	11,118,191	
Prepayments	270,623,943	172,954,760	—	443,578,703		1,856,562	—	—	2,288,107	
Total current assets	1,075,534,414	1,436,758,006	(3,783,360)	2,508,509,060		314,614,121	162,766,641	(2,341,114)	473,039,648	
Total assets	5,587,753	4,696,561	—	10,284,314		1,055,840,854	1,367,334,670	(2,341,114)	2,420,834,410	
Deferred Outflows of Resources	2,357,613	1,985,398	—	4,343,011		7,693,901	6,744,188	—	14,438,089	
Pension amounts	—	995,959	—	995,959		3,355,683	2,936,086	—	6,291,769	
OPEB amounts	—	—	—	—		—	1,276,931	—	1,276,931	
Deferred charge on refunding	—	—	—	—		—	—	—	—	
Total deferred outflows of resources	7,945,366	7,677,918	—	15,623,284		11,049,584	10,957,205	—	22,006,789	
Total assets and deferred outflows of resources	\$ 1,083,479,780	1,444,435,924	(3,783,360)	2,524,132,344	\$	1,066,890,438	1,378,291,875	(2,341,114)	2,442,841,199	

See accompanying notes to basic financial statements.

2024

2025

Liabilities, Deferred Inflows and Net Position	2025			2024				
	Gas Department	Water Department	Eliminations	Business-type Activities Total	Gas Department	Water Department	Eliminations	Business-type Activities Total
Net position:								
Net investment in capital assets	\$ 501,157,243	578,396,744	—	1,079,553,987	\$ 470,344,142	570,987,403	—	1,041,331,545
Restricted:								
Environmental	—	178,099	—	178,099	—	176,974	—	176,974
Debt service requirements-sinking fund	1,734,364	2,948,754	—	4,683,118	1,642,710	2,779,600	—	4,422,310
Net pension asset	20,653,022	17,688,332	—	38,341,354	—	—	—	—
Unrestricted	117,956,277	34,218,798	—	152,155,075	144,617,911	2,047,420	—	146,665,331
Total net position	641,480,906	633,430,727	—	1,274,911,633	616,604,763	575,991,397	—	1,192,596,160
Deferred inflows of resources								
Pension amounts	32,321,219	27,455,274	—	59,776,493	2,624,069	2,192,262	—	4,816,331
OPEB amounts	29,306,694	24,951,447	—	54,258,141	7,750,014	6,533,558	—	14,283,572
Lease amounts	2,575,171	1,063,494	—	3,638,665	2,631,357	1,153,438	—	3,784,795
Contributions in aid of construction	53,914,386	448,087,398	—	502,001,784	42,631,048	416,598,612	—	459,229,660
Total deferred inflows of resources	118,117,470	501,557,613	—	619,675,083	55,636,488	426,477,870	—	482,114,558
Noncurrent liabilities:								
Long-term debt, excluding current installments	211,371,624	192,741,250	—	404,112,874	221,493,869	210,516,020	—	432,009,889
Lease liability	—	—	—	—	116,364	—	—	116,364
SBITA liability	2,830,862	—	—	2,830,862	6,522,495	—	—	6,522,495
Self-insured risks	1,296,848	1,369,954	—	2,666,802	1,000,527	1,098,272	—	2,098,799
Net pension liability	—	—	—	—	15,324,426	13,206,800	—	28,531,226
Net OPEB liability	3,996,329	4,022,180	—	8,018,509	33,980,087	29,948,300	—	63,928,387
Other accrued expenses	2,054,573	2,730,459	—	4,785,032	2,061,768	2,147,897	—	4,209,665
Total noncurrent liabilities	221,550,236	200,863,843	—	422,414,079	280,499,536	256,917,289	—	537,416,825
Current liabilities:								
Accounts payable	47,241,105	14,108,666	—	61,349,771	50,906,724	10,493,369	—	61,400,093
Customer deposits	22,477,647	7,304,034	—	29,781,681	36,209,701	5,262,675	—	41,472,376
Customer advances for construction	986,464	34,168,639	—	35,155,103	355,953	49,138,706	—	49,494,659
Interdepartmental payable	3,783,360	—	(3,783,360)	—	2,341,114	—	(2,341,114)	—
Sewer fee collection due to municipalities	—	26,442,106	—	26,442,106	—	27,680,726	—	27,680,726
Statutory payment due to municipalities	1,347,957	814,349	—	2,162,306	1,117,979	830,562	—	1,948,541
Other accrued expenses	3,765,747	4,041,541	—	7,807,288	3,556,129	3,704,524	—	7,260,653
Current installments of long-term debt	8,315,000	18,278,051	—	26,593,051	7,945,000	17,471,784	—	25,416,784
Current installments of lease liability	116,364	—	—	116,364	225,199	—	—	225,199
Current installments of SBITA liability	4,230,976	—	—	4,230,976	3,285,775	—	—	3,285,775
Unearned revenue - firm service agreement	2,198,019	—	—	2,198,019	2,198,019	—	—	2,198,019
Accrued interest on revenue bonds	730,947	618,169	—	1,349,116	761,436	684,434	—	1,445,870
Accrued interest on SBITA's	161,461	—	—	161,461	102,652	—	—	102,652
Self-insured risks	1,495,402	2,808,186	—	4,303,588	1,251,558	3,638,539	—	4,890,097
Other liabilities	5,480,719	—	—	5,480,719	3,892,412	—	—	3,892,412
Total current liabilities	102,331,168	108,583,741	(3,783,360)	207,131,549	114,149,651	118,905,319	(2,341,114)	230,713,856
Total liabilities	323,881,404	309,447,584	(3,783,360)	629,545,628	394,649,187	375,822,608	(2,341,114)	768,130,681
Total liabilities, deferred inflows of resources, and net position	\$ 1,083,479,780	1,444,435,924	(3,783,360)	2,524,132,344	\$ 1,066,890,438	1,378,291,875	(2,341,114)	2,442,841,199

See accompanying notes to basic financial statements.

**METROPOLITAN UTILITIES DISTRICT**

Statements of Revenues, Expenses, and Changes in Net Position

December 31, 2025 and 2024

	2025			2024		
	Gas Department	Water Department	Business-type Activities Total	Gas Department	Water Department	Business-type Activities Total
Operating revenues:						
Charges for services	\$ 236,629,830	174,729,563	411,359,393	\$ 218,186,059	171,096,747	389,282,806
Less bad debt expense	624,222	423,624	1,047,846	530,081	188,214	718,295
Charges for services, net	236,005,608	174,305,939	410,311,547	217,655,978	170,908,533	388,564,511
Operating expenses:						
Cost of natural gas	136,272,232	—	136,272,232	104,022,598	—	104,022,598
Operating and maintenance	55,702,042	104,450,688	160,152,730	55,760,800	97,025,005	152,785,805
Depreciation and amortization	21,257,721	17,992,336	39,250,057	20,279,378	17,350,402	37,629,780
Payment in lieu of taxes	4,095,167	2,347,848	6,443,015	3,258,538	2,306,485	5,565,023
Total operating expenses	217,327,162	124,790,872	342,118,034	183,321,314	116,681,892	300,003,206
Operating income	18,678,446	49,515,067	68,193,513	34,334,664	54,226,641	88,561,305
Nonoperating revenues (expenses):						
Investment income, net	9,206,027	3,957,864	13,163,891	14,436,868	5,370,722	19,807,590
Other income (expense)	59,589	(1,059,806)	(1,000,217)	110,539	(219,038)	(108,499)
Interest expense, net	(7,762,899)	(7,305,972)	(15,068,871)	(8,019,917)	(8,028,788)	(16,048,705)
Settlement revenue	—	6,019,360	6,019,360	—	—	—
Total nonoperating revenues (expenses), net	1,502,717	1,611,446	3,114,163	6,527,490	(2,877,104)	3,650,386
Income before capital grants revenue	20,181,163	51,126,513	71,307,676	40,862,154	51,349,537	92,211,691
Capital grants	4,694,980	6,312,817	11,007,797	466,357	2,076,446	2,542,803
Change in net position	24,876,143	57,439,330	82,315,473	41,328,511	53,425,983	94,754,494
Net position, beginning of year	616,604,763	575,991,397	1,192,596,160	575,276,252	522,565,414	1,097,841,666
Net position, end of year	\$ 641,480,906	633,430,727	1,274,911,633	\$ 616,604,763	575,991,397	1,192,596,160

See accompanying notes to basic financial statements.

**METROPOLITAN UTILITIES DISTRICT**

Statements of Cash Flows

December 31, 2025 and 2024

	2025			2024		
	Gas Department	Water Department	Business-type Activities Total	Gas Department	Water Department	Business-type Activities Total
Cash flows from operating activities:						
Receipts from customers	\$ 247,828,464	167,140,330	414,968,794	207,233,312	167,006,069	374,239,381
Payments to suppliers	(157,726,388)	(63,228,956)	(220,955,344)	(94,083,147)	(70,491,588)	(164,574,735)
Cash collections on behalf of other governments	—	235,978,913	235,978,913	—	229,149,654	229,149,654
Cash disbursements to other governments	—	(229,774,047)	(229,774,047)	—	(219,939,982)	(219,939,982)
Payments to employees	(52,367,458)	(44,997,738)	(97,365,196)	(49,864,953)	(42,059,775)	(91,924,728)
Payments in lieu of taxes	(4,095,167)	(2,347,848)	(6,443,015)	(3,258,538)	(2,306,485)	(5,565,023)
Net cash provided by operating activities	33,639,451	62,770,654	96,410,105	60,026,674	61,357,893	121,384,567
Cash flows from noncapital financing activities:						
Interdepartmental loans and advances	1,641,741	(1,641,741)	—	1,963,018	(1,963,018)	—
Net cash provided by (used in) noncapital financing activities	1,641,741	(1,641,741)	—	1,963,018	(1,963,018)	—
Cash flows from capital and related financing activities:						
Plant additions	(98,254,954)	(91,696,047)	(189,951,001)	(96,951,500)	(116,965,400)	(213,916,900)
Plant removal/retirement costs	(1,991,932)	624,551	(1,367,381)	(1,842,085)	1,663,666	(178,419)
Debt issuance costs	—	—	—	(78,000)	—	(78,000)
Payments on long-term debt	(7,945,000)	(17,471,784)	(25,416,784)	(7,315,000)	(16,675,639)	(23,990,639)
Payments on line-of-credit	—	(2,281,640)	(2,281,640)	—	—	—
Proceeds from line-of-credit	—	2,281,640	2,281,640	—	—	—
Change in SBITA liabilities	(2,686,859)	—	(2,686,859)	6,665,232	—	6,665,232
Payments on lease liabilities	(225,199)	—	(225,199)	(213,963)	—	(213,963)
Proceeds from issuance of debt	—	330,239	330,239	—	—	—
Proceeds from capital grants	3,999,979	4,669,372	8,669,351	466,357	2,076,446	2,542,803
Proceeds from settlement	—	4,162,266	4,162,266	—	—	—
Customer advances/CIAC	13,072,047	25,960,503	39,032,550	2,100,877	40,937,865	43,038,742
Interest paid	(9,541,823)	(8,281,301)	(17,823,124)	(9,906,807)	(9,081,894)	(18,988,701)
Net cash provided by (used in) capital and related financing activities	(103,573,741)	(81,702,201)	(185,275,942)	(107,074,889)	(98,044,956)	(205,119,845)
Cash flows from activities:						
Interest received	9,265,712	3,956,013	13,221,725	14,625,501	5,371,573	19,997,074
Sales of investment securities	91,263,038	46,896,017	138,159,055	144,977,049	96,568,835	241,545,884
Purchase of investments	(59,559,000)	(38,561,000)	(98,120,000)	(162,686,000)	(83,448,000)	(246,134,000)
Net cash flows provided by (used in) investing activities	40,969,750	12,291,030	53,260,780	(3,083,450)	18,492,408	15,408,958
Net decrease in cash and cash equivalents	(27,322,799)	(8,282,258)	(35,605,057)	(48,168,647)	(20,157,673)	(68,326,320)
Cash and cash equivalents, beginning of year	225,985,654	126,355,076	352,340,730	274,154,301	146,512,749	420,667,050
Cash and cash equivalents, end of year	<u>\$ 198,662,855</u>	<u>118,072,818</u>	<u>316,735,673</u>	<u>225,985,654</u>	<u>126,355,076</u>	<u>352,340,730</u>

**METROPOLITAN UTILITIES DISTRICT**

Statements of Cash Flows

December 31, 2025 and 2024

	2025			2024		
	Gas Department	Water Department	Business-type Activities Total	Gas Department	Water Department	Business-type Activities Total
Reconciliation of operating income to net cash provided by operating activities:						
Operating income	\$ 18,678,446	49,515,067	68,193,513	\$ 34,334,664	54,226,641	88,561,305
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation and amortization	21,081,755	17,992,336	39,074,091	20,099,092	17,350,402	37,449,494
Depreciation charged to depreciation and amortization	6,441,652	2,044,743	8,486,395	5,201,725	1,607,996	6,809,721
Amortization charged to depreciation and amortization	175,966	—	175,966	180,286	—	180,286
Amortization charged to operating and maintenance	4,537,601	370,571	4,708,172	4,474,119	493,174	4,967,293
Cash flows impacted by changes in:						
Amounts due from customers and others	12,607,699	(268,012)	12,339,687	(11,001,852)	(4,445,890)	(15,447,742)
Natural gas, propane, materials, supplies, and prepayments	(2,118,977)	(2,165,273)	(4,284,250)	2,110,141	(1,491,359)	618,782
Other noncurrent assets	(1,068,546)	(612,607)	(1,681,153)	(231,190)	(68,214)	(299,404)
Accounts payable and other	(3,220,589)	4,117,708	897,119	7,734,682	3,072,540	10,807,222
Customer deposits	(13,744,684)	2,041,359	(11,703,325)	6,404,824	(3,361,511)	3,043,313
Self-insurance and other liabilities	2,128,472	(33,257)	2,095,215	281,228	1,332,554	1,613,782
Net pension liability (asset)	(35,977,448)	(30,895,133)	(66,872,581)	(9,882,412)	(8,350,818)	(18,233,230)
Deferred inflows pension	30,311,132	25,830,601	56,141,733	(1,628,796)	(1,308,849)	(2,937,645)
Deferred outflows pension	1,492,166	1,480,038	2,972,204	10,868,366	9,387,596	20,255,962
Net OPEB liability	(29,983,758)	(25,926,120)	(55,909,878)	(4,482,949)	(4,102,893)	(8,585,842)
Deferred inflows OPEB	21,156,290	18,167,668	39,323,958	(2,433,452)	(1,629,408)	(4,062,860)
Deferred outflows OPEB	1,398,460	1,200,909	2,599,369	(1,945,617)	(1,689,288)	(3,634,905)
Deferred inflows leases	(56,186)	(89,944)	(146,130)	(56,185)	335,220	279,035
Net cash provided by operating activities	\$ 33,639,451	62,770,654	96,410,105	\$ 60,026,674	61,357,893	121,384,567
Supplemental schedules of noncash capital and related financing items:						
Subscription based information technology arrangements	\$ (2,686,859)	—	(2,686,859)	\$ 6,665,232	—	6,665,232
Construction in accounts payable	\$ 5,665,283	7,899,474	13,564,757	\$ 13,689,893	4,238,023	17,927,916

See accompanying notes to basic financial statements.

**METROPOLITAN UTILITIES DISTRICT**  
 Statements of Fiduciary Net Position  
 Pension and Other Post Employment Benefits  
 December 31, 2025 and 2024

	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 7,612,892	\$ 6,233,045
Investments at fair value:		
Mutual funds:		
Fixed income funds	239,120,090	212,053,202
Domestic equity funds	344,640,675	307,604,201
International equity funds	223,701,796	172,798,896
Total investments	807,462,561	692,456,299
Total assets	\$ 815,075,453	\$ 698,689,344
 <b>Liabilities</b>		
Accrued expense and benefits payable	-	-
Total liabilities	-	-
 <b>Net position held in trust for pension and other post employment benefits</b>	<b>\$ 815,075,453</b>	<b>\$ 698,689,344</b>

See accompanying notes to basic financial statements

**METROPOLITAN UTILITIES DISTRICT**  
 Statements of Changes in Fiduciary Net Position  
 Pension and Other Post Employment Benefits  
 December 31, 2025 and 2024

	<b>2025</b>	<b>2024</b>
Additions:		
Investment income, net appreciation in the fair value of pooled separate accounts, interest and dividends, net of investment expense	\$ 119,634,110	\$ 69,192,987
Employer contributions	22,866,545	24,887,501
Employee contributions	7,939,915	7,498,276
<b>Total additions</b>	<b>150,440,570</b>	<b>101,578,764</b>
Deductions:		
Benefit payments	34,020,741	32,353,009
Administrative expenses	33,720	105,145
<b>Total deductions</b>	<b>34,054,461</b>	<b>32,458,154</b>
<b>Net increase</b>	<b>116,386,109</b>	<b>69,120,610</b>
Net position held in trust for pension and OPEB benefits		
Beginning of year	698,689,344	629,568,734
End of year	<b>\$ 815,075,453</b>	<b>\$ 698,689,344</b>

See accompanying notes to basic financial statements

## METROPOLITAN UTILITIES DISTRICT

### Notes to Basic Financial Statements

December 31, 2025 and 2024

#### **(1) Summary of Significant Accounting Policies**

##### ***(a) Nature of Operations***

Metropolitan Utilities District (the District), a political subdivision of the State of Nebraska, is a public utility providing water and gas service to a diversified base of residential, commercial, and industrial customers. State statutes vest authority to establish rates in the board of directors (the Board) and provide, among other things, that separate books of account be kept for each utility department and for the equitable allocation of joint expenses. The Board determines the District's rates. The District is not liable for federal and state income taxes. The District pays ad valorem taxes on real property not used for public purposes. As required by the Enabling Act, the District pays 2% of its revenue from retail sales within the corporate limits of the City of Omaha to the City of Omaha, and 2% of its retail sales within other city and village corporate limits to those cities and villages. The District is subject to state sales and use tax on certain labor charges and nearly all material purchases.

##### ***(b) Basis of Presentation***

The District's financial statements are presented in accordance with generally accepted accounting principles (GAAP) for business-type activities of governmental entities. Accounting records are maintained generally in accordance with the Uniform System of Accounts as prescribed by the National Association of Regulatory Utility Commissioners (NARUC) and all applicable pronouncements of the Governmental Accounting Standards Board (GASB). The District accounts for the operations of the water and gas systems in separate major funds.

Operating revenues and expenses generally result from providing gas and water services to the District's customers. The principal operating revenues are charges to customers for providing gas and water services. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District's accounting policies also follow the regulated operations provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which permits an entity with cost based rates to defer certain costs as income, that would otherwise be recognized when incurred, to the extent that the rate-regulated entity is recovering or expects to recover such amounts in rate changes to its customers.

##### ***(c) Fiduciary Fund Type***

The District also includes a pension trust fund and other postemployment benefits (OPEB) trust fund as a fiduciary fund type. Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the District's own programs or operations. Pension and OPEB trust funds are accounted for in essentially the same manner as the enterprise funds, using the same measurement focus and basis of accounting. Plan member contributions are recognized in the period in which contributions are due. Employer contributions to the plans are recognized when due. Benefits and refunds are recognized when due and payable in accordance with terms of the plans. The Pension Trust Fund accounts for the assets of the Retirement Plan for Employees of the Metropolitan Utilities District of Omaha. The OPEB Trust Fund accounts for the assets of the Postretirement Benefits for Employees of the Metropolitan Utilities District of Omaha. These plans are included in the reporting

## METROPOLITAN UTILITIES DISTRICT

## Notes to Basic Financial Statements

December 31, 2025 and 2024

entity because the District controls the assets of each of these trust funds, as defined by GASB Statement No. 84, *Fiduciary Activities*.

**(d) Leases**

The District follows GASB Statement No. 87, *Leases*, which defines the District's leasing arrangement as the right to use an underlying asset as a lessor or lessee.

As a lessor, the District recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Periodic payments are reflected as a reduction of the discounted lease receivable and as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease.

Re-measurement of lease receivables occur when there are modifications including, but not limited to, changes in the contract price, lease term and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.

As a lessee, the District recognizes a lease liability and a right-to-use lease asset at the beginning of the lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. The right-to-use lease assets are measured based on the net present value of the future lease payments at inception using the incremental borrowing rate.

Re-measurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The District calculates the amortization of the discount on the lease liability and reports that amount as an outflow of resources. Payments are allocated first to accrued interest liability and then to the lease liability.

**(e) Subscription-Based Information Technology Arrangements**

The District follows GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, which recognizes a right to use subscription asset (intangible asset) and corresponding liability.

The SBITA's, a contract that defines the right to use another party's information technology software, are measured at the net present value of subscription payments over the subscription term at inception using the incremental borrowing rate. The subscription term will include periods in which the District has a noncancellable right to use the asset and may include periods covered by an option to extend or terminate the contract.

**(f) Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The District has three items that meet the criterion for reporting as deferred outflows on the statement of net position: the deferred charge on refunding,

METROPOLITAN UTILITIES DISTRICT

Notes to Basic Financial Statements

December 31, 2025 and 2024

pension-related items and OPEB-related items. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amount for changes of actuarial assumptions used in the measurement of total pension liability is recognized in pension expense over the average expected remaining service life of the active and inactive pension plan members at the beginning of the measurement period. The difference between projected and actual earnings on pension and OPEB plan investments is recognized in expense over a five-year period, as of the beginning of each measurement period.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue and/or contra expense) until that time. The District has four items that meet the criterion for reporting as deferred inflows on the statement of net position: contributions in aid of construction (CIAC), pension-related items, OPEB-related items and lease revenue. As described below, CIAC is included in depreciation expense and amortized over the estimated useful lives of the related utility plant. The difference between expected and actual experience and the changes in actuarial assumptions in the measurement of the pension and OPEB liabilities is recognized over the average expected remaining service life of the active and inactive plan members at the beginning of the measurement period. Lease revenue is recognized on a straight-line basis over the term of the lease. The difference between projected and actual earnings on pension and OPEB plan investments is recognized in expense over a five-year period, as of the beginning of each measurement period.

**(g) Utility Plant**

Utility plant is stated at cost. Cost includes direct charges such as labor, material, and related overhead. Expenditures for ordinary maintenance and repairs are charged to operations.

Depreciation of utility plant is computed primarily on the straight-line method over its estimated useful life. The weighted average composite depreciation rates, expressed as a percentage of the beginning of the year cost of depreciable plant in service, were:

	<u>2025</u>		<u>2024</u>	
Water Department	2.1	%	2.1	%
Gas Department	3.4		3.4	

Contributions in aid of construction (CIAC) are reported as a deferred inflow of resources. For ratemaking purposes, the District does not recognize such revenues when received; rather CIAC is included in depreciation expense as such costs are amortized over the estimated lives of the related utility plant. The credit is being amortized into rates over the depreciable lives of the related plant in order to offset the earnings effect of these nonexchange transactions.

METROPOLITAN UTILITIES DISTRICT

Notes to Basic Financial Statements

December 31, 2025 and 2024

**(h) Net Position**

The net position of the District is broken down into three categories: (1) net investment in capital assets, (2) restricted for environmental funds, debt service requirements, and net pension asset, and (3) unrestricted.

- Net investment in capital assets consist of capital assets, including restricted capital assets, net of accumulated depreciation, plus unspent bond proceeds and reduced by the outstanding balance of debt that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted for environmental funds represent net position whose use is restricted through external constraints imposed by the Nebraska Department of Environmental Quality and the Nebraska Game and Parks Commission. Restricted for debt service requirements represent net position whose use is restricted per the provisions of the Series 2012, Series 2015, Series 2018 and Series 2022 water revenue bonds, and the Series 2018, Series 2022 and Series 2023 gas revenue bonds. Restricted for net pension asset represents the net pension asset.
- Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted for environmental, debt reserve funds, debt service requirements, or capital.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted first, and then unrestricted resources when they are needed.

**(i) Bond Premium and Discounts**

Bond premium and discounts are deferred and amortized over the life of the bond using the straight-line method, which approximates the effective interest method.

**(j) Cash and Cash Equivalents and Investments**

Cash and cash equivalents include cash on hand, bank demand accounts, overnight repurchase agreements, and short term liquid investments purchased with an original maturity of 90 days or less. At December 31, 2025, the Gas Department held \$21.6 million in noncurrent "Cash and cash equivalents – restricted" and "Investments – restricted" which is comprised of proceeds from the Gas System Revenue Bonds Series 2023, which will be expended to finance a portion of a new Construction Center, the remodel of the existing Construction Center, and other infrastructure improvements. At December 31, 2024, the Gas Department held \$46.2 million in noncurrent "Cash and cash equivalents – restricted" and "Investments – restricted" which is comprised of proceeds from the Gas System Revenue Bonds Series 2023, which will be expended to finance the continued expansion of and improvements to the District's liquified natural gas plant, a portion of a new Construction Center, the remodel of the existing Construction Center, and other infrastructure improvements.

At December 31, 2025, the Gas Department held current "Cash and cash equivalents – restricted" and "Investments – restricted" of \$11.6 million which is comprised of \$1.7 million pursuant to various bond resolutions, \$0.1 million of proceeds remaining from the Gas System Revenue Bonds Series 2022, which will be expended to finance a portion of the continued replacement of cast iron mains throughout the District's gas system, and \$9.8 million of proceeds from the Gas System Revenue Bonds Series 2023, which will be expended to finance a portion of a new Construction Center, the remodel of the existing Construction Center, and other infrastructure improvements. At December 31, 2024, the Gas

## METROPOLITAN UTILITIES DISTRICT

### Notes to Basic Financial Statements

December 31, 2025 and 2024

Department held current “Cash and cash equivalents – restricted” and “Investments – restricted” of \$34.6 million which is comprised of \$1.6 million pursuant to various bond resolutions, \$4.0 million of proceeds remaining from the Gas System Revenue Bonds Series 2022, which will be expended to finance a portion of the continued replacement of cast iron mains throughout the District’s gas system, expansion of and improvements to the District’s liquified natural gas plant and related infrastructure improvements and \$29.0 million of proceeds from the Gas System Revenue Bonds Series 2023, which will be expended to finance the continued expansion of and improvements to the District’s liquified natural gas plant, a portion of a new Construction Center, the remodel of the existing Construction Center, and other infrastructure improvements.

At December 31, 2025, the Water Department held \$3.9 million in noncurrent “Cash and cash equivalents – restricted” and “Investments – restricted” which is made up of \$0.2 million in funds required by the Nebraska Game and Parks Commission for environmental mitigation of wetlands, \$3.2 million pursuant to various bond resolutions, and \$0.5 million of proceeds remaining from the Water System Revenue Bond Series 2022, which will be expended to finance a portion of the costs for capital improvement plan activity, primarily for the District’s Florence Water Treatment Plant and Platte South Water Treatment Plant, water pumping station additions and improvements, land acquisition costs for possible future reservoirs, and other water system infrastructure improvements. At December 31, 2024, the Water Department held \$22.1 million in noncurrent “Cash and cash equivalents – restricted” and “Investments – restricted” which is made up of \$0.2 million in funds required by the Nebraska Game and Parks Commission for environmental mitigation of wetlands, \$3.2 million pursuant to various bond resolutions, and \$18.7 million of proceeds remaining from the Water System Revenue Bond Series 2022, which will be expended to finance a portion of the costs for capital improvement plan activity, primarily for the District’s Florence Water Treatment Plant and Platte South Water Treatment Plant, water pumping station additions and improvements, land acquisition costs for possible future reservoirs, and other water system infrastructure improvements.

At December 31, 2025, the Water Department also held current “Cash and cash equivalents – restricted” and “Investments – restricted” of \$3.1 million which is pursuant to various bond resolutions, which will be expended to finance a portion of the costs for capital improvement plan activity, primarily for the District’s Florence Water Treatment Plant and Platte South Water Treatment Plant, water pumping station additions and improvements, land acquisition costs for possible future reservoirs, and other water system infrastructure improvements. At December 31, 2024, the Water Department also held current “Cash and cash equivalents – restricted” and “Investments – restricted” of \$11.3 million which is made up of \$2.8 million pursuant to various bond resolutions and \$8.5 million of proceeds remaining from the Water System Revenue Bond Series 2022, which will be expended to finance a portion of the costs for capital improvement plan activity, primarily for the District’s Florence Water Treatment Plant and Platte South Water Treatment Plant, water pumping station additions and improvements, land acquisition costs for possible future reservoirs, and other water system infrastructure improvements.

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of a fair value measurement in both cases is the same—that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between the market and participants at the measurement date under current market

## METROPOLITAN UTILITIES DISTRICT

## Notes to Basic Financial Statements

December 31, 2025 and 2024

conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. Purchases and sales of securities are recorded on a trade-date basis. See Note 3 for additional information regarding fair value measures.

**(k) Accounts Receivable and Unbilled Revenue**

Accounts receivable are recorded at the invoiced amount and do not bear interest. Amounts collected on accounts receivable are included in net cash provided by operating activities in the statements of cash flows. The accounts receivable balance also includes an accrual related to unbilled revenues, determined by prorating or analyzing actual subsequent billings. The allowance for doubtful accounts is the District's best estimate of the amount of probable credit losses in the District's existing accounts receivable. The District's allowance methodology was developed based on an analysis of open accounts and historical write-off experience.

**(l) Inventories**

Inventories include natural gas, liquefied natural gas, propane, construction materials, and materials and supplies. All inventories are carried at weighted average cost.

**(m) Compensated Absences**

The District recognizes a liability for compensated absences for leave that (a) is attributable to services already rendered, (b) accumulates, and (c) is more likely than not to be used for time off or otherwise paid in cash. The District employees earn vacation days at specific rates during their employment. In the event of termination, an employee is reimbursed for accumulated vacation time up to a maximum allowed accumulation of no more than what they are eligible to earn in two years. Current and noncurrent amounts pertaining to accrued compensated absences are recorded within "Other accrued expenses" in the statement of net position. For types of compensated absences that are dependent upon the occurrence of a sporadic event that affects a relatively small proportion of employees in any particular reporting period (parental leave, military leave, and jury duty), a liability is not recognized until the leave commences. The liability for leave that has been used but not yet paid, has been recognized in accrued wages. The liability for leave that has not been used is recognized in compensated absences.

**(n) Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is self-insured with respect to its obligation to provide workers' compensation, general liability, and health, dental and vision coverage. The District purchases commercial insurance for property damage.

METROPOLITAN UTILITIES DISTRICT

Notes to Basic Financial Statements

December 31, 2025 and 2024

**(o) Revenues**

The District recognizes operating revenues as they are earned. Revenues earned after meters are read are estimated and accrued as unbilled revenues at the end of each accounting period. Accounts receivable include unbilled revenues as follows:

	<u>2025</u>	<u>2024</u>
Gas	\$ 24,263,529	44,179,961
Water	4,918,792	4,846,814
	<u>\$ 29,182,321</u>	<u>49,026,775</u>

**(p) Interdepartmental Transactions**

Most routine disbursement transactions of the District are paid by the Gas Department, due in part to the fact that the Gas Department collects virtually all billings for the District in combined Gas/Water invoices; balancing between the departments occurs via maintenance of interdepartmental receivable and payable accounts. At December 31, 2025, the Gas Department reflected a payable to the Water Department and the Water Department reflected a receivable from the Gas Department of \$3,783,360. At December 31, 2024, the Gas Department reflected a payable to the Water Department and the Water Department reflected a receivable from the Gas Department of \$2,341,114. The receivable and payable have been eliminated in the business-type activities total column.

**(q) Billing and Collection Agent Services**

The District serves as the billing and collection agent for fees related to sewer services provided by certain political subdivisions, including the City of Omaha. Separate accounting records are maintained by the District for these collection services. Fees billed but not yet remitted by the District to the applicable entities totaled \$26,442,106 and \$27,680,726 as of December 31, 2025 and 2024, respectively. These fees have been reflected in the District's statement of net position and amounts collected were remitted to the cities subsequent to year-end. Processing fees billed to the cities for billing and collection services provided by the District totaled approximately \$5.4 million in 2025 and \$5.3 million in 2024. These processing fees have been reflected as a reduction to operating and maintenance expenses in the District's statement of revenue, expenses, and changes in net position. The cities' fees reflect only the expenses incurred by the District to bill and collect the cities' charges.

**(r) Customer Deposits**

The District requires certain customers to provide refundable deposits prior to establishing service. Customer deposits are recorded as liabilities when received, as the District has an obligation to either provide future service or refund the deposit. Deposits are available for refund after the customer establishes a satisfactory payment history or refunded upon termination of service, net of any outstanding charges.

**(s) Pensions**

For purposes of measuring the net pension liability (asset), deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Retirement Plan for Employees of the Metropolitan Utilities District of Omaha (the Plan) and additions

## METROPOLITAN UTILITIES DISTRICT

## Notes to Basic Financial Statements

December 31, 2025 and 2024

to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**(t) Other Postemployment Benefits**

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Postretirement Benefits for Employees of the Metropolitan Utilities District of Omaha (the OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**(u) Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management of the District to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying footnotes. Actual results could differ from these estimates.

**(v) Recent Accounting Pronouncements**

GASB Statement No. 103, *Financial Reporting Model Improvements*, issued in April 2024, will be effective beginning with fiscal year December 31, 2026. This Statement's objective is to improve components of the financial reporting model to enhance effectiveness in providing essential information for decision making and to assess a government's accountability. The District is currently assessing the impact of this Statement.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, issued in September 2024, will be effective beginning with fiscal year December 31, 2026. This Statement requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The District is currently assessing the impact of this Statement.

GASB Statement No. 105, *Subsequent Events*, issued in December 2025, will be effective beginning with fiscal year December 31, 2027. This Statement's objective is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The District is currently assessing the impact of this Statement.

**(w) Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The classifications had no impact on previously reported net position.

## METROPOLITAN UTILITIES DISTRICT

### Notes to Basic Financial Statements

December 31, 2025 and 2024

#### **(2) Impact of Adoption of New Accounting Standard**

The District has implemented GASB Statement No. 102, Certain Risk Disclosures, issued in December 2023, for fiscal years beginning after June 15, 2024. This Statement improves financial reporting by providing information related to risks not required to be disclosed. This Statement requires an assessment of a concentration or constraint vulnerable to a substantial impact. The disclosure will be required to include (1) the concentration or constraint; (2) event associated with the concentration or constraint that could cause a substantial impact; and (3) actions taken to mitigate the risk. Management identified no risks meeting the criteria, therefore no impact to the District's financial statements related to this statement.

#### **(3) Deposits and Investments**

State Statute 14-2144 R.R.S. authorizes funds of the District to be invested at the discretion of the board of directors in the warrants and bonds of the District and the municipalities constituting the District, including the warrants and bonds of the sanitary improvement districts thereof. In addition to such securities, the funds may also be invested in any securities that are legal investments for the school funds of the State of Nebraska as delineated in the State of Nebraska Statute, Section 30-3209. The trust funds related to the District's retirement plan and other postemployment benefit plan invest pursuant to the same statutory investment restrictions.

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. For deposits, custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be returned. At December 31, 2025 and 2024, all bank balances were covered by federal depository insurance or collateralized with securities.

**Fair Value Measurements:** The District categorizes its assets and liabilities measured at fair value within the hierarchy established by generally accepted accounting principles. Assets and liabilities valued at fair value are categorized based on inputs to valuation techniques as follows:

**Level 1 input:** Quoted prices for identical assets or liabilities in an active market that an entity has the ability to access.

**Level 2 input:** Quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

**Level 3 input:** Inputs that are unobservable for the asset or liability which are typically based upon the District's own assumptions as there is little, if any, related market activity.

**Hierarchy:** The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

**Inputs:** If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

## METROPOLITAN UTILITIES DISTRICT

## Notes to Basic Financial Statements

December 31, 2025 and 2024

For the District, the following fair value techniques were utilized in measuring the fair value of its investments:

**Bond and Equity Mutual Funds:** These investments are reported at fair value based on published fair value per share (unit) for each fund.

As of December 31, 2025 and 2024, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment in Maturities in Years</u>		<u>Hierarchy Level</u>	<u>Rating Standard &amp; Poors</u>
		<u>Less Than One</u>	<u>1-5</u>		
2025					
U.S. Treasury and agency obligations	\$ 11,167,540	9,998,699	1,168,841	1	AA+
	<u>\$ 11,167,540</u>	<u>9,998,699</u>	<u>1,168,841</u>		
2024					
U.S. Treasury and agency obligations	\$ 51,206,594	37,371,648	13,834,946	1	AA+
	<u>\$ 51,206,594</u>	<u>37,371,648</u>	<u>13,834,946</u>		

As of December 31, 2025 and 2024, the District's fiduciary funds had the following investments.

<u>Investment Type</u>	<u>Fair Value</u>			<u>Hierarchy Level</u>
	<u>Pension Plan</u>	<u>OPEB</u>	<u>Total</u>	
2025				
Mutual Funds:				
Fixed Income Funds	\$ 205,949,042	33,171,048	239,120,090	1
Domestic Equity Funds	282,477,735	62,162,940	344,640,675	1
International Equity Funds	183,639,937	40,061,859	223,701,796	1
	<u>\$ 672,066,714</u>	<u>135,395,847</u>	<u>807,462,561</u>	
2024				
Mutual Funds:				
Fixed Income Funds	\$ 184,550,360	27,502,842	212,053,202	1
Domestic Equity Funds	254,716,026	52,888,175	307,604,201	1
International Equity Funds	142,521,564	30,277,332	172,798,896	1
	<u>\$ 581,787,950</u>	<u>110,668,349</u>	<u>692,456,299</u>	

**Credit risk:** Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District does not have a formal policy over credit risk for investments, other than pension and OPEB plan investments. Although the District does not have a formal policy, this risk is mitigated by adherence to the requirements of State Statute 30-3209, which prescribes investments that are authorized. The pension and OPEB plans' investments in mutual funds are not rated. Purchases of fixed

## METROPOLITAN UTILITIES DISTRICT

### Notes to Basic Financial Statements

December 31, 2025 and 2024

income investments must be rated BBB by Standard and Poor's or Baa by Moody's or higher. The investment policy statements of the pension and OPEB plans define fixed income investments as U.S. government and agency securities, corporate notes and bonds and private and agency residential and commercial mortgage-backed securities.

**Interest rate risk:** Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment means the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal policy over interest rate risk for investments, other than pension and OPEB plan investments. Although the District does not have a formal policy, investments other than those in the pension and OPEB plans are generally short-term, reducing exposure to fair value losses arising from increasing interest rates. The investment policy statements of the pension and OPEB plans do not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Mutual funds (debt and equity funds) are not subject to interest rate risk given they have no maturity dates.

**Concentration of credit risk:** The District does not have a formal policy over concentration of credit risk for investments, other than pension and OPEB investments. Although the District does not have a formal policy, this risk is mitigated by adherence to the requirements of State Statute 30-3209, which prescribes investments that are authorized. The investment policy statements of the pension and OPEB plans apply the prudent investor guidelines. Consistent with prudent standards for the preservation of capital and maintenance of liquidity, the goal of the plans is to earn the highest possible rate of return consistent with the plans' tolerance for risk. It is the policy of the pension and OPEB plans that the portfolios should be well diversified in an attempt to reduce the overall risk of the portfolios. The investment policy statements of the pension and OPEB plans limit the amount invested in a single investment security to 5 percent of the total portfolio, with the exception of investments guaranteed by the U.S. government. The investment policy statements also limit the amount invested in a single investment pool or company (mutual fund) to 20 percent of the total portfolio, with the exception of passively-managed investment vehicles seeking to match the returns on a broadly-diversified market index.

**Rate of return:** For the years ended December 31, 2025 and 2024, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense was 17.0% and 10.8%, respectively. For the years ended December 31, 2025 and 2024, the annual money weighted rate of return on OPEB plan investments, net of OPEB plan expense was 18.3% and 11.7%, respectively. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## METROPOLITAN UTILITIES DISTRICT

## Notes to Basic Financial Statements

December 31, 2025 and 2024

**Asset allocation:** The investment policy statements of the pension and OPEB plans have the following asset allocation ranges permitted and the long-term expected geometric real rate of return for each major asset class:

Asset Class	Target Allocation	
	Pension Plan	OPEB
Domestic (U.S.) Equities		
U.S. Large Cap	34.1 %	37.7 %
U.S. Mid Cap	2.7	3.0
U.S. Small Cap	1.2	1.3
International (Non-U.S.) Equities	19.2	21.4
Emerging Markets	6.8	7.6
U.S. Aggregate Bonds	15.0	11.0
International Bonds	3.0	3.0
Intermediate Term Credit	11.0	9.0
Short Term Credit	3.0	2.0
REITS	4.0	4.0
Total	<u>100.0 %</u>	<u>100.0 %</u>

Mutual funds may be used for these asset classes. Investments in mutual funds are not subject to concentration of credit risk.

**Custodial credit risk:** The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District and the pension and OPEB plans do not have a policy for custodial credit risk. As of December 31, 2025 and 2024, the District's investments were not exposed to custodial credit risk because they were registered in the District's name and held by the counterparty or the counterparty's trust department. The mutual funds (equity and debt funds) of the pension and OPEB plans are not exposed to custodial credit risk.

**METROPOLITAN UTILITIES DISTRICT**

Notes to Basic Financial Statements

December 31, 2025 and 2024

**(4) Capital Assets**

Capital assets at December 31, 2025 and 2024 are summarized as follows:

	<b>Gas Department</b>	<b>Water Department</b>	<b>Total</b>
2025			
Capital assets:			
Utility Plant - Depreciable	\$ 934,637,815	1,557,407,761	2,492,045,576
Utility Plant - Nondepreciable (land)	8,093,366	15,779,044	23,872,410
Right-to-use (RTU) lease assets (buildings)	1,047,211	—	1,047,211
Right-to-use (RTU) subscription assets (SBITA)	27,870,083	—	27,870,083
Total	971,648,475	1,573,186,805	2,544,835,280
Construction in progress (nondepreciable)	81,644,886	112,530,593	194,175,479
	1,053,293,361	1,685,717,398	2,739,010,759
Less:			
Utility Plant - Accumulated depreciation	(284,511,120)	(446,923,644)	(731,434,764)
RTU - Lease accumulated amortization	(942,490)	—	(942,490)
RTU - SBITA accumulated amortization	(11,694,118)	—	(11,694,118)
Total capital assets, net	\$ 756,145,633	1,238,793,754	1,994,939,387
2024			
Capital assets:			
Utility Plant - Depreciable	\$ 791,906,481	1,458,089,738	2,249,996,219
Utility Plant - Nondepreciable (land)	6,608,545	15,484,990	22,093,535
Right-to-use (RTU) lease assets (buildings)	1,047,211	—	1,047,211
Right-to-use (RTU) subscription assets (SBITA)	18,461,708	—	18,461,708
Total	818,023,945	1,473,574,728	2,291,598,673
Construction in progress (nondepreciable)	146,480,514	127,175,270	273,655,784
	964,504,459	1,600,749,998	2,565,254,457
Less:			
Utility Plant - Accumulated depreciation	(266,153,261)	(421,085,918)	(687,239,179)
RTU - Lease accumulated amortization	(733,048)	—	(733,048)
RTU - SBITA accumulated amortization	(8,072,337)	—	(8,072,337)
Total capital assets, net	\$ 689,545,813	1,179,664,080	1,869,209,893

## METROPOLITAN UTILITIES DISTRICT

## Notes to Basic Financial Statements

December 31, 2025 and 2024

The provision for depreciation and amortization expense is as follows:

	2025			2024		
	Gas	Water	Total	Gas	Water	Total
	Department	Department		Department	Department	
Charged to depreciation and amortization	\$ 21,257,721	17,992,336	39,250,057	\$ 20,279,378	17,350,402	37,629,780
Charged to operating and maintenance	10,779,253	2,415,314	13,194,567	9,675,844	2,101,170	11,777,014
	<u>\$ 32,036,974</u>	<u>20,407,650</u>	<u>52,444,624</u>	<u>\$ 29,955,222</u>	<u>19,451,572</u>	<u>49,406,794</u>

The depreciation and amortization expense presented above includes a reduction of expense of \$10,599,982 and \$9,897,109 for the year ended December 31, 2025 and 2024, respectively, due to the amortization of CIAC.

Capital asset activity for the year ended December 31, 2025 and 2024 is as follows:

	Balance, beginning of year	Increases	Decreases	Balance, end of year
2025				
Gas Department:				
Utility plant in service	\$ 798,515,026	153,489,382	(9,273,227)	942,731,181
Construction in progress	146,480,514	88,725,330	(153,560,958)	81,644,886
Utility Plant - Accumulated depreciation	(266,153,262)	(28,634,236)	10,276,378	(284,511,120)
Right-of-use lease assets	1,047,211	—	—	1,047,211
RTU - Lease accumulated amortization	(733,048)	(209,442)	—	(942,490)
Right-of-use subscription assets (SBITA)	18,461,708	9,408,375	—	27,870,083
RTU - SBITA accumulated amortization	(8,072,337)	(3,621,781)	—	(11,694,118)
	<u>\$ 689,545,812</u>	<u>219,157,628</u>	<u>(152,557,807)</u>	<u>756,145,633</u>
Water Department:				
Utility plant in service	\$ 1,473,574,728	105,108,649	(5,496,572)	1,573,186,805
Construction in progress	127,175,270	90,470,142	(105,114,819)	112,530,593
Accumulated depreciation	(421,085,918)	(29,526,232)	3,688,506	(446,923,644)
	<u>\$ 1,179,664,080</u>	<u>166,052,559</u>	<u>(106,922,885)</u>	<u>1,238,793,754</u>
	<u>\$ 1,869,209,892</u>	<u>385,210,187</u>	<u>(259,480,692)</u>	<u>1,994,939,387</u>

**METROPOLITAN UTILITIES DISTRICT**

**Notes to Basic Financial Statements**

December 31, 2025 and 2024

	<u>Balance, beginning of year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, end of year</u>
2024				
Gas Department:				
Utility plant in service	\$ 755,488,019	55,244,365	(12,217,358)	798,515,026
Construction in progress	108,974,371	92,727,814	(55,221,671)	146,480,514
Utility Plant - Accumulated depreciation	(252,872,621)	(26,295,412)	13,014,771	(266,153,262)
Right-of-use lease assets	1,047,211	—	—	1,047,211
RTU - Lease accumulated amortization	(523,606)	(209,442)	—	(733,048)
Right-of-use subscription assets (SBITA)	8,365,575	10,559,133	(463,000)	18,461,708
RTU - SBITA accumulated amortization	(4,058,230)	(4,014,107)	—	(8,072,337)
	<u>\$ 616,420,719</u>	<u>128,012,351</u>	<u>(54,887,258)</u>	<u>689,545,812</u>
Water Department:				
Utility plant in service	\$ 1,404,660,992	73,429,227	(4,515,491)	1,473,574,728
Construction in progress	84,234,712	117,813,318	(74,872,760)	127,175,270
Accumulated depreciation	(395,684,111)	(27,810,856)	2,409,049	(421,085,918)
	<u>\$ 1,093,211,593</u>	<u>163,431,689</u>	<u>(76,979,202)</u>	<u>1,179,664,080</u>
	<u>\$ 1,709,632,312</u>	<u>291,444,040</u>	<u>(131,866,460)</u>	<u>1,869,209,892</u>

**(5) Lease Receivable**

The District leases cell phone tower space and land to others. These leases have terms between forty years and fifty years with payments required monthly or annually.

The total amount of inflows of resources recognized for the periods ending December 31, are as follows:

	<u>2025</u>			<u>2024</u>		
	<u>Gas</u>	<u>Water</u>	<u>Total</u>	<u>Gas</u>	<u>Water</u>	<u>Total</u>
	<u>Department</u>	<u>Department</u>		<u>Department</u>	<u>Department</u>	
Lease Revenue	\$ 56,186	89,945	146,131	56,187	51,584	107,771
Interest Income	80,840	40,185	121,025	81,407	25,689	107,096

## METROPOLITAN UTILITIES DISTRICT

## Notes to Basic Financial Statements

December 31, 2025 and 2024

**(6) Long-Term Obligations**

Activity in long-term obligations for the year ended December 31, 2025 and 2024 is as follows:

	<b>Balance, beginning of year</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance, end of year</b>	<b>Due within one year</b>
2025					
Water Revenue Bonds					
Series 2022	\$ 59,510,000	-	2,125,000	57,385,000	2,235,000
Plus unamortized premium	2,873,940	-	275,511	2,598,429	-
Water Revenue Bonds					
Series 2018	28,975,000	-	1,645,000	27,330,000	1,690,000
Plus unamortized premium	629,927	-	79,557	550,370	-
Water Revenue Bonds					
Series 2015	109,350,000	-	11,220,000	98,130,000	11,790,000
Plus unamortized premium	3,451,004	-	705,100	2,745,904	-
Water Revenue Bonds					
Series 2012	20,025,000	-	2,170,000	17,855,000	2,245,000
Plus unamortized premium	1,031,492	-	129,868	901,624	-
Gas Revenue Bonds					
Series 2023	81,695,000	-	2,675,000	79,020,000	2,810,000
Plus unamortized premium	4,710,034	-	413,490	4,296,544	-
Gas Revenue Bonds					
Series 2022	105,425,000	-	3,875,000	101,550,000	4,070,000
Plus unamortized premium	12,402,116	-	1,309,074	11,093,042	-
Gas Revenue Bonds					
Series 2018	24,520,000	-	1,395,000	23,125,000	1,435,000
Plus unamortized premium	686,719	-	84,681	602,038	-
Notes from Direct Borrowings and Direct Placements:					
NDEQ note payable	2,141,441	-	311,784	1,829,657	318,051
DWSRF loan	-	1,693,317	-	1,693,317	-
Lease liability	341,563	-	225,199	116,364	116,364
SBITA liability	9,808,270	663,289	3,409,721	7,061,838	4,230,976
Net OPEB liability	63,928,387	-	55,909,878	8,018,509	-
Self-insured risks	6,988,896	3,986,578	4,005,084	6,970,390	4,303,588
Other accrued expenses	11,470,318	8,679,980	7,557,978	12,592,320	7,807,288
	<u>\$ 549,964,107</u>	<u>15,023,164</u>	<u>99,521,925</u>	<u>465,465,346</u>	<u>43,051,267</u>

**METROPOLITAN UTILITIES DISTRICT**

Notes to Basic Financial Statements

December 31, 2025 and 2024

	<u>Balance, beginning of year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, end of year</u>	<u>Due within one year</u>
2024					
Water Revenue Bonds					
Series 2022	\$ 61,535,000	-	2,025,000	59,510,000	2,125,000
Plus unamortized premium	3,159,401	-	285,461	2,873,940	-
Water Revenue Bonds					
Series 2018	30,545,000	-	1,570,000	28,975,000	1,645,000
Plus unamortized premium	715,623	-	85,696	629,927	-
Water Revenue Bonds					
Series 2015	120,030,000	-	10,680,000	109,350,000	11,220,000
Plus unamortized premium	4,258,915	-	807,911	3,451,004	-
Water Revenue Bonds					
Series 2012	22,120,000	-	2,095,000	20,025,000	2,170,000
Plus unamortized premium	1,161,005	-	129,513	1,031,492	-
Gas Revenue Bonds					
Series 2023	83,985,000	-	2,290,000	81,695,000	2,675,000
Plus unamortized premium	5,160,271	-	450,237	4,710,034	-
Gas Revenue Bonds					
Series 2022	109,120,000	-	3,695,000	105,425,000	3,875,000
Plus unamortized premium	13,769,212	-	1,367,096	12,402,116	-
Gas Revenue Bonds					
Series 2018	25,850,000	-	1,330,000	24,520,000	1,395,000
Plus unamortized premium	777,808	-	91,089	686,719	-
Notes from Direct Borrowings and Direct Placements:					
NDEQ note payable	2,447,082	-	305,641	2,141,441	311,784
Lease liability	555,526	-	213,963	341,563	225,199
SBITA liability	3,415,203	9,484,019	3,090,952	9,808,270	3,285,775
Net OPEB liability	72,514,229	-	8,585,842	63,928,387	-
Net pension liability*	46,764,457	-	18,233,231	28,531,226	-
Self-insured risks	5,442,285	6,172,644	4,626,033	6,988,896	4,890,097
Other accrued expenses	10,986,544	7,720,500	7,236,726	11,470,318	7,260,653
	<u>\$ 624,312,561</u>	<u>23,377,163</u>	<u>69,194,391</u>	<u>578,495,333</u>	<u>41,078,508</u>

\* This was a net pension asset in 2025, therefore removed from 2025 schedule

## METROPOLITAN UTILITIES DISTRICT

## Notes to Basic Financial Statements

December 31, 2025 and 2024

**(a) Water Revenue Bonds****Water Revenue Bonds Series 2012**

On December 17, 2012, the District issued Water Revenue Bonds Series 2012 for a par value of \$40,745,000. The balance, annual installments, and interest rates at December 31, 2025 and 2024 consist of:

	<u>Interest rate</u>		<u>Annual installment</u>	<u>Principal outstanding 2025</u>	<u>2024</u>
Series 2012 bonds:					
Serial	2.000% - 4.000%	\$	1,185,000 - 2,335,000	4,580,000	6,750,000
Term	3.125%		2,455,000 - 2,865,000	13,275,000	13,275,000

The Water Revenue Bonds Series 2012 are subject to optional redemption prior to maturity on and after December 15, 2022. Principal and interest payments are as follows:

		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$	2,245,000	598,044	2,843,044
2027		2,335,000	508,244	2,843,244
2028		2,455,000	414,844	2,869,844
2029		2,550,000	338,125	2,888,125
2030		2,650,000	258,438	2,908,438
2031 - 2032		5,620,000	265,156	5,885,156
	\$	<u>17,855,000</u>	<u>2,382,851</u>	<u>20,237,851</u>

The indenture, under which the revenue bonds were issued, provides for the creation and maintenance of certain funds. These cash and cash equivalents are classified as restricted on the statement of net position. The District has pledged future water revenues to repay the Water Revenue Bonds Series 2012. Proceeds from the bonds were used to finance a portion of the costs of improvements to the District's Water System including multiple projects undertaken to upgrade the District's Platte South Plant and Florence Plant in part to comply with current regulatory requirements. The Water Revenue Bonds Series 2012 are payable solely from water revenues and are payable through 2032. Principal and interest payments of \$2,170,000 and \$684,844, respectively, were paid on these bonds in 2025. Principal and interest payments of \$2,095,000 and \$768,644, respectively, were paid on these bonds in 2024. Total water revenues for the year ended December 31, 2025 and 2024 were \$174,729,563 and \$171,096,747, respectively.

**METROPOLITAN UTILITIES DISTRICT**

Notes to Basic Financial Statements

December 31, 2025 and 2024

**Water Revenue Bonds Series 2015**

On December 8, 2015, the District issued Water System Improvement and Refunding Revenue Bonds, Series 2015 (the 2015 Bonds) for a par value of \$188,895,000. The 2015 Bonds were issued for the purpose of financing a portion of the costs of improvements to the District's Water System including multiple projects undertaken to upgrade the District's Florence Water Treatment Plant, and to refund \$153,780,000 aggregate principal amount of the District's outstanding 2006A Bonds and 2006B Bonds.

The indenture, under which the revenue bonds were issued, provides for the creation and maintenance of certain funds. These cash and cash equivalents are classified as restricted on the statement of net position. The District has pledged future water revenues to repay the 2015 Bonds. The 2015 Bonds are payable solely from water revenues and are payable through 2035. Principal and interest payments of \$11,220,000 and \$3,724,505, respectively, were paid on these bonds in 2025. Principal and interest payments of \$10,680,000 and \$4,258,505, respectively, were paid on these bonds in 2024. Total water revenues for the year ended December 31, 2025 and 2024 were \$174,729,563 and \$171,096,747, respectively.

The balance, annual installments, and interest rates at December 31, 2025 and 2024 consist of:

	<u>Interest rate</u>	<u>Annual installment</u>	<u>Principal outstanding 2025</u>	<u>2024</u>
Series 2015 bonds:				
Serial	2.850% - 5.000%	\$ 7,330,000 - 14,115,000	90,310,000	101,530,000
Term	3.500	2,520,000 - 2,695,000	7,820,000	7,820,000

At the option of the District, the Water Revenue Bonds Series 2015 are subject to optional redemption prior to maturity on and after December 1, 2025. Principal and interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 11,790,000	3,163,505	14,953,505
2027	12,125,000	2,827,490	14,952,490
2028	12,480,000	2,451,615	14,931,615
2029	12,855,000	2,052,255	14,907,255
2030	13,260,000	1,628,040	14,888,040
2031 - 2035	35,620,000	2,463,163	38,083,163
	<u>\$ 98,130,000</u>	<u>14,586,068</u>	<u>112,716,068</u>

METROPOLITAN UTILITIES DISTRICT

Notes to Basic Financial Statements

December 31, 2025 and 2024

**Water Revenue Bonds Series 2018**

On September 27, 2018, the District issued Water System Revenue Bonds, Series 2018 (the 2018 Water Bonds) for a par value of \$37,390,000. The 2018 Water Bonds were issued for the purpose of financing a portion of the costs of improvements to the District's Water System including multiple projects undertaken to upgrade the District's Florence Water Treatment Plant and other improvements to the District's Water System.

The indenture, under which the revenue bonds were issued, provides for the creation and maintenance of certain funds. These cash and cash equivalents are classified as restricted on the statement of net position.

The District has pledged future water revenues to repay the 2018 Water Bonds. The 2018 Water Bonds are payable solely from water revenues and are payable through 2038. Principal and interest payments of \$1,645,000 and \$980,519, respectively, were paid on these bonds in 2025. Principal and interest payments of \$1,570,000 and \$1,059,019, respectively, were paid on these bonds in 2024. Total water revenues for the year ended December 31, 2025 and 2024 were \$174,729,563 and \$171,096,747, respectively.

The balance, annual installments, and interest rates at December 31, 2025 and 2024 consist of:

	Interest rate	Annual installment	Principal outstanding	
			2025	2024
Series 2018 bonds:				
Serial	2.500% - 5.000%	\$ 1,255,000 - 2,540,000	27,330,000	28,975,000

At the option of the District, the Water Revenue Bonds Series 2018 are subject to optional redemption prior to maturity on and after December 1, 2025. Principal and interest payments are as follows:

	Principal	Interest	Total
2026	\$ 1,690,000	939,394	2,629,394
2027	1,775,000	854,894	2,629,894
2028	1,845,000	783,894	2,628,894
2029	1,900,000	728,544	2,628,544
2030	1,955,000	671,544	2,626,544
2031 - 2035	10,785,000	2,355,856	13,140,856
2036 - 2038	7,380,000	503,550	7,883,550
	<u>\$ 27,330,000</u>	<u>6,837,676</u>	<u>34,167,676</u>

**METROPOLITAN UTILITIES DISTRICT**

Notes to Basic Financial Statements

December 31, 2025 and 2024

**Water Revenue Bonds Series 2022**

On October 13, 2022, the District issued Water System Revenue Bonds, Series 2022 (the 2022 Water Bonds) for a par value of \$63,085,000. The 2022 Water Bonds were issued for the purpose of financing a portion of the costs for capital improvement plan activity, primarily for the District’s Florence Water Treatment Plant and Platte South Water Treatment Plant, water pumping station additions and improvements, land acquisition for possible future reservoirs, and other water system infrastructure improvements.

The indenture, under which the revenue bonds were issued, provides for the creation and maintenance of certain funds. These cash and cash equivalents are classified as restricted on the statement of net position. The remaining net proceeds from the 2022 Water Bonds will be used to finance a portion of the costs to improve the District’s Florence Water Treatment Plant and Platte South Water Treatment Plant, water pumping station additions and improvements, land acquisition for possible future reservoirs, and other water system infrastructure improvements.

The District has pledged future water revenues to repay the 2022 Water Bonds. The 2022 Water Bonds are payable solely from water revenues and are payable through 2042. Principal and interest payments of \$2,125,000 and \$2,823,344, respectively, were paid on these bonds in 2025. Principal and interest payments of \$2,025,000 and \$2,924,594, respectively, were paid on these bonds in 2024. Total water revenues for the year ended December 31, 2025 and 2024 were \$174,729,563 and \$171,096,747, respectively.

The balance, annual installments, and interest rates at December 31, 2025 and 2024 consist of:

	<u>Interest rate</u>	<u>Annual installment</u>	<u>Principal outstanding</u>	
			2025	2024
Series 2022 bonds:				
Serial	4.250% - 5.000%	\$ 1,550,000 - 4,740,000	57,385,000	59,510,000

At the option of the District, the Water Revenue Bonds Series 2022 are subject to optional redemption prior to maturity on and after December 1, 2032. Principal and interest payments are as follows:

		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$	2,235,000	2,717,094	4,952,094
2027		2,345,000	2,605,344	4,950,344
2028		2,460,000	2,488,094	4,948,094
2029		2,585,000	2,365,094	4,950,094
2030		2,715,000	2,235,844	4,950,844
2031 - 2035		15,750,000	9,002,219	24,752,219
2036 - 2040		20,010,000	4,743,469	24,753,469
2041 - 2042		9,285,000	613,592	9,898,592
	\$	<u>57,385,000</u>	<u>26,770,750</u>	<u>84,155,750</u>

METROPOLITAN UTILITIES DISTRICT

Notes to Basic Financial Statements

December 31, 2025 and 2024

**Series 2012, Series 2015, Series 2018 and Series 2022 Debt Service Requirements**

The total principal and interest payments for the Series 2012, 2015, 2018 and 2022 water revenue bonds are as follows:

		<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$	17,960,000	7,418,036	25,378,036
2027		18,580,000	6,795,972	25,375,972
2028		19,240,000	6,138,446	25,378,446
2029		19,890,000	5,484,018	25,374,018
2030		20,580,000	4,793,865	25,373,865
2031 - 2035		67,775,000	14,086,394	81,861,394
2036 - 2040		27,390,000	5,247,019	32,637,019
2041 - 2042		9,285,000	613,592	9,898,592
	\$	200,700,000	50,577,342	251,277,342

The District has pledged future water revenues to repay the Water Bonds. The aggregate Water Bonds are payable solely from water revenues and are payable through 2042. Principal and interest payments of \$17,160,000 and \$8,213,211, respectively, were paid on these bonds in 2025. Principal and interest payments of \$16,370,000 and \$9,010,761, respectively, were paid on these bonds in 2024. Total water revenues for the year ended December 31, 2025 and 2024 were \$174,729,563 and \$171,096,747, respectively.

**Series 2012, Series 2015, Series 2018 and Series 2022 Debt Covenant Compliance**

The District covenants that it will fix, establish, and maintain rates or charges for water, services, or facilities supplied or furnished by the District that will provide an amount sufficient to pay current expenses and to generate net revenue at least equal to the sum of: (a) 120% of the amount equal to the average principal and interest requirements on the bonds, including any parity revenue bonds, then Outstanding; and (b) 100% of the amount required to pay any other unpaid long-term obligations (excluding current expenses) and any other unpaid indebtedness of the District (including any amounts required to be accumulated and maintained as reserves therefore) that are payable from system revenues, as the same shall become due.

Charges and assessments exceeded amounts required by covenants by approximately \$50.3 million for 2025; funds available for debt service were equal to 4.5 times average debt service costs in 2025.

**Series 2012, Series 2015, Series 2018 and Series 2022 Remedies for Default**

The Series 2012, 2015, 2018 and 2022 water revenue bond agreements contain a provision that in an event of default, outstanding amounts become immediately due if the District is unable to make payment.

METROPOLITAN UTILITIES DISTRICT

Notes to Basic Financial Statements

December 31, 2025 and 2024

**(b) Gas Revenue Bonds**

**Gas Revenue Bonds Series 2018**

On June 28, 2018, the District issued Gas System Revenue Bonds, Series 2018 (the 2018 Gas Bonds) for a par value of \$31,605,000. The 2018 Gas Bonds were issued for the purpose of financing a portion of the costs of improvements to the District's Gas System, including replacement of cast iron gas mains throughout the District's service area and infrastructure improvements to the Gas System.

The indenture, under which the revenue bonds were issued, provides for the creation and maintenance of certain funds. These cash and cash equivalents are classified as restricted on the statement of net position.

The District has pledged future gas revenues to repay the 2018 Gas Bonds. The 2018 Gas Bonds are payable solely from gas revenues and are payable through 2038. Principal and interest payments of \$1,395,000 and \$851,179, respectively, were paid on these bonds in 2025. Principal and interest payments of \$1,330,000 and \$917,679, respectively, were paid on these bonds in 2024. Total gas revenues for the year ended December 31, 2025 and 2024 was \$236,629,830 and \$218,186,059, respectively.

The balance, annual installments, and interest rates at December 31, 2025 and 2024 consist of:

	<u>Interest rate</u>	<u>Annual installment</u>	<u>Principal outstanding</u>	
			<u>2025</u>	<u>2024</u>
Series 2018 bonds:				
Serial	2.750% - 5.000%	\$ 1,040,000 - 2,175,000	13,720,000	15,115,000
Term	3.500% - 4.000%	\$ 1,650,000 - 2,095,000	9,405,000	9,405,000

At the option of the District, the Gas Revenue Bonds Series 2018 are subject to optional redemption prior to maturity on and after December 1, 2024. Principal and interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,435,000	812,816	2,247,816
2027	1,490,000	755,416	2,245,416
2028	1,550,000	695,816	2,245,816
2029	1,605,000	645,441	2,250,441
2030	1,650,000	597,291	2,247,291
2031 - 2035	9,110,000	2,129,393	11,239,393
2036 - 2038	6,285,000	460,263	6,745,263
	<u>\$ 23,125,000</u>	<u>6,096,436</u>	<u>29,221,436</u>

METROPOLITAN UTILITIES DISTRICT

Notes to Basic Financial Statements

December 31, 2025 and 2024

**Gas Revenue Bonds Series 2022**

On March 16, 2022, the District issued Gas System Revenue Bonds, Series 2022 (the 2022 Gas Bonds) for a par value of \$115,040,000. The 2022 Gas Bonds were issued for the purpose of financing the continued replacement of cast iron gas mains throughout the District's gas system, expansion of and improvements to the District's liquified natural gas plant and other infrastructure improvements.

The indenture, under which the revenue bonds were issued, provides for the creation and maintenance of certain funds. These cash and cash equivalents are classified as restricted on the statement of net position. The remaining net proceeds from the 2022 Gas Bonds will be used to finance the continued replacement of cast iron mains throughout the District's gas system, expansion of and improvements to the District's liquified natural gas plant and other infrastructure improvements.

The District has pledged future gas revenues to repay the 2022 Gas Bonds. The 2022 Gas Bonds are payable solely from gas revenues and are payable through 2042. Principal and interest payments of \$3,875,000 and \$4,201,300, respectively, were paid on these bonds in 2025. Principal and interest payments of \$3,695,000 and \$4,386,050, respectively, were paid on these bonds in 2024. Total gas revenues for the year ended December 31, 2025 and 2024 was \$236,629,830 and \$218,186,059, respectively.

The balance, annual installments, and interest rates at December 31, 2025 and 2024 consist of:

	Interest rate	Annual installment	Principal outstanding 2025	Principal outstanding 2024
Series 2022 bonds:				
Serial	3.000% - 5.000%	\$ 2,405,000 - 7,845,000	101,550,000	105,425,000

At the option of the District, the Gas Revenue Bonds Series 2022 are subject to optional redemption prior to maturity on and after December 1, 2031. Principal and interest payments are as follows:

	Principal	Interest	Total
2026	\$ 4,070,000	4,007,550	8,077,550
2027	4,275,000	3,804,050	8,079,050
2028	4,490,000	3,590,300	8,080,300
2029	4,715,000	3,365,800	8,080,800
2030	4,950,000	3,130,050	8,080,050
2031 - 2035	28,710,000	11,681,750	40,391,750
2036 - 2040	34,880,000	5,520,150	40,400,150
2041 - 2042	15,460,000	699,150	16,159,150
	\$ 101,550,000	35,798,800	137,348,800

**METROPOLITAN UTILITIES DISTRICT**

Notes to Basic Financial Statements

December 31, 2025 and 2024

**Gas Revenue Bonds Series 2023**

On November 8, 2023, the District issued Gas System Revenue Bonds, Series 2023 (the 2023 Gas Bonds) for a par value of \$83,985,000. The 2023 Gas Bonds were issued for the purpose of financing a portion of the continued expansion of and improvements to the District’s liquified natural gas plant, a portion of a new Construction Center, the remodel of the existing Construction Center, and other infrastructure improvements.

The indenture, under which the revenue bonds were issued, provides for the creation and maintenance of certain funds. These cash and cash equivalents are classified as restricted on the statement of net position. The remaining net proceeds from the 2023 Gas Bonds will be used to finance a portion of a new Construction Center, the remodel of the existing Construction Center, and other infrastructure improvements.

The District has pledged future gas revenues to repay the 2023 Gas Bonds. The 2023 Gas Bonds are payable solely from gas revenues and are payable through 2043. Principal and interest payments of \$2,675,000 and \$4,084,750, respectively, were paid on these bonds in 2025. Principal and interest payments of \$2,290,000 and \$4,467,535, respectively, were paid on these bonds in 2024. Total gas revenues for the year ended December 31, 2025 and 2024 was \$236,629,830 and \$218,186,059, respectively.

The balance, annual installments, and interest rates at December 31, 2025 and 2024 consist of:

	Interest rate	Annual installment	Principal outstanding	
			2025	2024
Series 2023 bonds:				
Serial	5.000%	\$ 2,290,000 - 6,440,000	79,020,000	81,695,000

At the option of the District, the Gas Revenue Bonds Series 2023 are subject to optional redemption prior to maturity on and after December 1, 2033. Principal and interest payments are as follows:

		Principal	Interest	Total
2026	\$	2,810,000	3,951,000	6,761,000
2027		2,950,000	3,810,500	6,760,500
2028		3,095,000	3,663,000	6,758,000
2029		3,250,000	3,508,250	6,758,250
2030		3,415,000	3,345,750	6,760,750
2031 - 2035		19,810,000	13,990,750	33,800,750
2036 - 2040		25,280,000	8,517,500	33,797,500
2041 - 2043		18,410,000	1,871,000	20,281,000
	\$	79,020,000	42,657,750	121,677,750

**METROPOLITAN UTILITIES DISTRICT**

Notes to Basic Financial Statements

December 31, 2025 and 2024

**Series 2018, Series 2022 and Series 2023 Debt Service Requirements**

The total principal and interest payments for the Series 2018, 2022 and 2023 gas revenue bonds are as follows:

		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$	8,315,000	8,771,366	17,086,366
2027		8,715,000	8,369,966	17,084,966
2028		9,135,000	7,949,116	17,084,116
2029		9,570,000	7,519,491	17,089,491
2030		10,015,000	7,073,091	17,088,091
2031 - 2035		57,630,000	27,801,893	85,431,893
2036 - 2040		66,445,000	14,497,913	80,942,913
2041 - 2043		33,870,000	2,570,150	36,440,150
	\$	<u>203,695,000</u>	<u>84,552,986</u>	<u>288,247,986</u>

The District has pledged future gas revenues to repay the Gas Bonds. The aggregate Gas Bonds are payable solely from gas revenues and are payable through 2043. Principal and interest payments of \$7,945,000 and \$9,137,229, respectively, were paid on these bonds in 2025. Principal and interest payments of \$7,315,000 and \$9,771,264, respectively, were paid on these bonds in 2024. Total gas revenues for the year ended December 31, 2025 and 2024 was \$236,629,830 and \$218,186,059, respectively.

**Series 2018, Series 2022 and Series 2023 Debt Covenant Compliance**

The District covenants that it will fix, establish, and maintain rates or charges for gas, services, or facilities supplied or furnished by the District that will provide an amount sufficient to pay current expenses and to generate net revenue at least equal to the sum of: (a) 120% of the amount equal to the average principal and interest requirements on the bonds, including any parity revenue bonds, then Outstanding; and (b) 100% of the amount required to pay any other unpaid long-term obligations (excluding current expenses) and any other unpaid indebtedness of the District (including any amounts required to be accumulated and maintained as reserves therefore) that are payable from system revenues, as the same shall become due.

Charges and assessments exceeded amounts required by covenants by approximately \$47.6 million for 2025; funds available for debt service were equal to 4.2 times average debt service costs in 2025.

**Series 2018, Series 2022 and Series 2023 Remedies for Default**

The Series 2018, 2022 and 2023 gas revenue bond agreement contains a provision that in an event of default, outstanding amounts become immediately due if the District is unable to make payment.

METROPOLITAN UTILITIES DISTRICT

Notes to Basic Financial Statements

December 31, 2025 and 2024

*(c) Direct Borrowings and Direct Placements*

**NDEQ Note Payable**

Included in long-term debt in the Water Department is a note payable, bearing a 2% interest rate, to the Nebraska Department of Environmental Quality (NDEQ). This note payable relates to construction of the Platte South contact basin project. The District's loan agreement was based on a budgeted project cost of \$7,049,000; if actual project costs equal budget, the agreement results in a loan amount of \$5,959,225 with the NDEQ, and principal forgiveness of \$1,089,775, in the form of a grant. The Platte South contact basin project was completed in late 2012, with total direct project costs of \$6,886,837, resulting in total committed loan funds of \$5,797,062.

The District has pledged future water revenues to repay this note payable. The lien of NDEQ on the water revenues is subordinate to the lien on such revenues of the District's water revenue bonds.

This note payable contains a provision that in the event of default on the part of the District, all unpaid amounts outstanding are due and payable immediately. The District must also pay reasonable fees and expenses incurred by the NDEQ in the collection of the loan and enforcement of the agreement.

During 2025 and 2024, the District paid back \$311,784 and \$305,641, respectively, as principal. The note payable requirements to maturity, June 15, 2031, for the NDEQ note payable are as follows:

		<u>Principal</u>	<u>Interest</u>	<u>Administrative Fee</u>	<u>Total</u>
2026	\$	318,051	35,011	17,505	370,567
2027		324,444	28,618	14,309	367,371
2028		330,965	22,097	11,048	364,110
2029		337,617	15,444	7,723	360,784
2030		344,403	8,658	4,329	357,390
2031		174,177	1,742	871	176,790
	\$	<u>1,829,657</u>	<u>111,570</u>	<u>55,785</u>	<u>1,997,012</u>

**DWSRF Loan**

Included in long-term debt in the Water Department is a note payable, bearing a 0% interest rate, to the Nebraska Department of Water, Energy and Environment (NDWEE). This note payable relates to the replacement of lead service lines. The District's loan agreement is in the amount of \$40.0 million and provides for loan forgiveness up to 62%. The District will draw upon these proceeds during the project with principal payments beginning after completion of the project.

The District has pledged future water revenues to repay this loan. The lien of NDWEE on the water revenues is subordinate to the lien on such revenues of the District's water revenue bonds.

This note payable contains a provision that in the event of default on the part of the District, all unpaid amounts outstanding are due and payable immediately. The District must also pay reasonable fees and expenses incurred by the NDWEE in the collection of the loan and enforcement of the agreement.

## METROPOLITAN UTILITIES DISTRICT

## Notes to Basic Financial Statements

December 31, 2025 and 2024

The loan requirements to maturity at December 15, 2057, for the DWSRF loan, are as follows:

	<u>Principal</u>	<u>Total</u>
2026	\$ —	—
2027	—	—
2028	56,444	56,444
2029	56,444	56,444
2030	56,444	56,444
2031 - 2035	282,220	282,220
2036 - 2040	282,220	282,220
2041 - 2045	282,220	282,220
2046 - 2050	282,220	282,220
2051 - 2055	282,220	282,220
2056 - 2057	112,885	112,885
	<u>\$ 1,693,317</u>	<u>1,693,317</u>

*(d) Lease Liability*

The District leases facilities from others. This lease has a term of three years requiring monthly payments.

**Building Lease - 14242 C Circle**

On May 12, 2021, the District entered into a lease agreement for property located at 14242 C Circle, Omaha, Nebraska. The property is used for shop space to support business operations and storage of fleet vehicles, equipment, and materials. The initial term of the lease is for three years beginning July 1, 2021 and ending on June 30, 2024. The District has exercised the option to renew the lease for two successive one-year terms through June 30, 2026. The lease liability is measured at a discount rate of 3.048%.

As of December 31, 2025, the District had outstanding principal and interest of \$117,400 related to this lease.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2025 were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 116,364	1,036	117,400
	<u>\$ 116,364</u>	<u>1,036</u>	<u>117,400</u>

METROPOLITAN UTILITIES DISTRICT

Notes to Basic Financial Statements

December 31, 2025 and 2024

**(e) SBITA Liability**

The District has entered into subscription-based information technology arrangements with various vendors for the right to use the vendor’s software as a service, as a platform, or as infrastructure. These arrangements have subscription terms between three years and five years requiring monthly, quarterly or annual payments. The subscriptions are measured at a discount rate of 2.890%, 3.048%, 3.177% or 3.298% depending on the year the agreement was initiated. Any variable payments made to vendor that were determined to be performance or usage-based were not included in the measurement of the liability.

As of December 31, 2025, the District had outstanding principal and interest of \$7,281,733 related to these subscriptions.

The future minimum subscription obligations and the net present value of these minimum subscription payments as of December 31, 2025 were as follows:

		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$	4,230,976	118,156	4,349,132
2027		859,998	84,361	944,359
2028		1,970,864	17,378	1,988,242
	\$	<u>7,061,838</u>	<u>219,895</u>	<u>7,281,733</u>

**(7) Line of Credit**

The District has an unsecured line of credit for \$10,000,000. The current Loan Agreement matures July 1, 2026. The interest rate on the line of credit is variable and is calculated based on the U.S. Prime Rate less 2.63 percentage points with a minimum rate of 1.95%. As of December 31, 2025, the interest rate was 4.12% and no amount was outstanding. The District drew on the line of credit in June of 2025 in the amount of \$2,281,640 and paid off the balance in July of 2025. The District did not draw on the line of credit during 2024.

**(8) Defined-Benefit Pension Plan**

**General Information about the Pension Plan**

**(a) Plan Description**

The District sponsors the Retirement Plan for Employees of the Metropolitan Utilities District of Omaha (the Plan) for all regular full-time employees of the Water and Gas Departments. The Plan is a single-employer defined benefit pension plan administered by the District. The Plan was established and may be amended only by the Board. The Plan is not subject to either minimum funding standards of the Employee Retirement Income Security Act of 1974 or the maximum funding limitations. The District does not issue a separate report that includes financial statements and required supplementary information for the Plan.

The Board has fiduciary responsibility for the Plan along with PNC Institutional Asset Management, who serves in the role of discretionary asset manager/co-fiduciary. The Board consists of seven directors, elected by the District’s customer-owners. Administrative responsibility for the Plan has been delegated to the Board’s Insurance and Pension Committee, which consists of three Board members

## METROPOLITAN UTILITIES DISTRICT

## Notes to Basic Financial Statements

December 31, 2025 and 2024

who are appointed by the full Board. The Committee's decisions and direction are implemented by the Management Pension Committee, comprised of the following District employees: the President, the Chief Financial Officer, the General Counsel and the Vice President of Accounting.

**(b) Benefits Provided**

The Plan provides retirement, disability (in the form of continued credited service), death, and termination benefits. An employee of the District is eligible for coverage at the time of employment. Vesting is achieved upon the completion of five years of service. Normal retirement age is 60 with 5 years of service. Retirement benefits are calculated using the average compensation for the highest paid 24 consecutive months out of the most recent 120 months, multiplied by the total years of service and the formula factor of 2.15% for the first 25 years of service, 1.00% for the next 10 years of service and 0.50% for each year of service above 35. The benefit amount is reduced under early retirement which is available at age 55 and 5 years of service.

Benefit terms provide for cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. Adjustments are made, if warranted, each January 1 and July 1 based on the increase in the Consumer Price Index of Urban Wage Earners and Clerical Workers. The annual increase in the member's benefit cannot exceed 3.00%, and adjustments cannot be negative.

**(c) Employees Covered by Benefit Terms**

As of January 1, 2025, membership of the Plan consisted of the following:

Inactive members or their beneficiaries currently receiving benefits	734
Disabled members	15
Inactive members entitled to but not yet receiving benefits	58
Inactive non-vested members	4
Active members	<u>896</u>
Total	<u><u>1,707</u></u>

**(d) Contributions**

Benefit and contribution provisions are established by and may be amended only by the Board. The contribution rate for certain employees is established by a collective bargaining agreement. The Board sets the contribution rates for employees who are not covered by the collective bargaining agreement. An actuarial valuation is performed each year to determine the actuarial required contribution, based on the funding goals set by the Board, which is then contributed by the District. The District's policy is to contribute amounts approved in the annual budget, which are generally greater than or equal to the actuarially determined annual required contribution. At times, the District has contributed in excess of the full annual required contribution.

For calendar year 2025, each member contributed 9.0% of pensionable earnings, as provided by the collective bargaining agreement approved by the Board in March 2023 and effective for April 1, 2023 through March 31, 2026. The contribution rate for employees not covered by the collective bargaining agreement is expected to align with the rates stated in the collective bargaining agreement through

METROPOLITAN UTILITIES DISTRICT

Notes to Basic Financial Statements

December 31, 2025 and 2024

2026. District contributions to the Plan totaled \$12,900,000 for the fiscal year ending December 31, 2025 and \$12,912,828 for the fiscal year ending December 31, 2024.

**Pension Plan Fiduciary Net Position**

Financial information about the pension plan's fiduciary net position and the changes in fiduciary net position for the years ended December 31, 2025 and 2024 are as follows:

**Statements of Plan Fiduciary Net Position at December 31, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
Assets		
Cash and cash equivalents	\$ 5,889,632	5,833,991
Investments at fair value		
Mutual funds:		
Fixed income funds	205,949,042	184,550,360
Domestic equity funds	282,477,735	254,716,026
International equity funds	183,639,937	142,521,564
Total investments	672,066,714	581,787,950
Total assets	677,956,346	587,621,941
Net position restricted for pensions	\$ 677,956,346	587,621,941

**Statements of Changes in the Fiduciary Net Position  
for the Years Ended December 31, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
Additions:		
Employer contributions	\$ 12,900,000	12,912,828
Employee contributions	7,939,915	7,498,276
Total contributions	20,839,915	20,411,104
Net investment income	98,902,390	58,052,663
Total additions	119,742,305	78,463,767
Deductions:		
Service benefits	29,374,180	28,131,942
Administrative expenses	33,720	94,255
Total deductions	29,407,900	28,226,197
Net increase	90,334,405	50,237,570
Net position restricted for pensions:		
Beginning of year	587,621,941	537,384,371
End of year	\$ 677,956,346	587,621,941

## METROPOLITAN UTILITIES DISTRICT

## Notes to Basic Financial Statements

December 31, 2025 and 2024

**Net Pension Liability**

All of the District's pension assets are available to pay member's benefit. The net pension liability as of December 31, 2025 and 2024 was as follows:

	<u>2025</u>	<u>2024</u>
Total pension liability	\$ 639,614,992	616,153,168
Fiduciary net position	<u>677,956,346</u>	<u>587,621,941</u>
Net pension (asset) liability	(38,341,354)	28,531,227
Fiduciary net position as a % of total pension liability	105.99%	95.37%
Covered payroll	\$ 88,218,090	83,387,029
Net pension liability (asset) as a % of covered payroll	-43.46%	34.22%

**(a) Actuarial Assumptions**

The District's net pension asset was measured as of December 31, 2025, and the total pension liability used to calculate the net pension asset was determined based on an actuarial valuation prepared as of January 1, 2025, rolled forward one year to December 31, 2025.

The total pension liability was determined using the following actuarial assumptions:

	<u>2025</u>	<u>2024</u>
Inflation	2.50%	2.50%
Salary increases, including inflation	3.75% to 12.5%	3.65% to 11.4%
Long-term investment rate of return, net of pension plan investment expenses, including inflation	6.75%	6.75%
Cost-of-living adjustment	2.50%	2.50%

**2025**

Mortality rates for employees (active members) were based on the Pub-2016 General Members (Median) Employee Mortality Table projected generationally using the MP-2021 Scale.

Mortality rates for retirees were based on the Pub-2016 General Members (Median) Retiree Mortality Table projected generationally using the MP-2021 Scale.

Mortality rates for beneficiaries were based on the Pub-2016 General Members (Median) Contingent Survivor Mortality Table projected generationally using the MP-2021 Scale.

Mortality rates for disabled annuitants were based on the Pub-2016 Non-Safety Disabled Retiree Mortality Table projected generationally using the MP-2021 Scale.

## METROPOLITAN UTILITIES DISTRICT

### Notes to Basic Financial Statements

December 31, 2025 and 2024

#### **2024**

Mortality rates for employees (active members) were based on the Pub-2010 General Members (Median) Employee Mortality Table projected generationally using the MP-2020 Scale.

Mortality rates for retirees were based on the Pub-2010 General Members (Median) Retiree Mortality Table projected generationally using the MP-2020 Scale.

Mortality rates for beneficiaries were based on the Pub-2010 General Members (Median) Contingent Survivor Mortality Table projected generationally using the MP-2020 Scale.

Mortality rates for disabled annuitants were based on the Pub-2010 Non-Safety Disabled Retiree Mortality Table projected generationally using the MP-2020 Scale.

The long-term expected rate of return on pension plan investments is reviewed as part of the regular experience study prepared for the Plan. The actuarial assumptions used in the valuation are based on the results of the most recent actuarial experience study, which covered the four-year period ending December 31, 2024, unless otherwise noted. In November 2021, the Board adopted a revision to the Investment Policy Statement, including lowering the long-term investment return assumption to 6.75%. Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class, were developed by the Plan's investment consultant. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumed long-term rate of return is intended to be a long-term assumption (50 years) and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Projected future benefit payments for all current plan members were projected through 2124.

## METROPOLITAN UTILITIES DISTRICT

## Notes to Basic Financial Statements

December 31, 2025 and 2024

The target asset allocation and best estimate of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic (U.S.) equities		
U.S. Large Cap	34.1 %	3.5 %
U.S. Mid Cap	2.7	4.3
U.S. Small Cap	1.2	2.8
International (Non-U.S.) equities	19.2	4.9
Emerging Markets	6.8	4.0
U.S. aggregate bonds	15.0	2.0
International bonds	3.0	2.0
Intermediate term credit	11.0	2.0
Short term credit	3.0	0.9
REITS	4.0	3.3
Total	100.0 %	

**(b) Discount Rate**

The discount rate used to measure the total pension liability at December 31, 2025 and 2024 was 6.75%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed the plan contributions from members and the District will be made at the current contribution rates as set out in the labor agreements in effect on the measurement date:

- a. Employee contribution rate: 9.00% of pensionable earnings for all employees, as provided by the collective bargaining agreement approved by the Board in March 2023 and effective for April 1, 2023 through March 31, 2026. The contribution rate for employees not covered by the collective bargaining agreement is expected to align with the rates stated in the collective bargaining agreement through 2026.
- b. District contribution: The actuarial contribution rate less the employee contribution rate times expected pensionable payroll for the plan year.
- c. Administrative expenses in the prior year were projected forward with price inflation as an estimate for administrative expenses in current and future years. The portion of expenses in future years allocated to the current members was based on the proportionate share of covered payroll in each year for the remainder of the existing members to the total covered payroll for all members.

Based on those assumptions, the Plan's 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 on Plan investments of 6.75% was applied to all periods of projected benefit payments to determine the total pension liability.

**METROPOLITAN UTILITIES DISTRICT**

Notes to Basic Financial Statements

December 31, 2025 and 2024

**(c) Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate**

The following presents the net pension liability (asset) of the District as of December 31, 2025, calculated using the discount rate of 6.75%, as well as the District's net pension (asset)/liability calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
2025 \$	43,074,044	(38,341,354)	(106,462,635)

The following presents the net pension liability (asset) of the District as of December 31, 2024, calculated using the discount rate of 6.75%, as well as the District's net pension (asset)/liability calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
2024 \$	107,460,949	28,531,227	(37,379,612)

## METROPOLITAN UTILITIES DISTRICT

## Notes to Basic Financial Statements

December 31, 2025 and 2024

*(d) Changes in Net Pension Liability*

	<b>Increases (Decreases)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension (Asset) Liability (a) - (b)</b>
<b>Balances at December 31, 2023</b>	\$ 584,148,828	537,384,371	46,764,457
<b>Changes for the year:</b>			
Service cost	15,812,155	-	15,812,155
Interest on total pension liability	38,496,096	-	38,496,096
Differences between expected and actual experience	5,828,031	-	5,828,031
Assumption changes	-	-	-
Employer contributions	-	12,912,828	(12,912,828)
Employee contributions	-	7,498,276	(7,498,276)
Net investment income	-	58,052,663	(58,052,663)
Benefit payments, including member refunds	(28,131,942)	(28,131,942)	-
Administrative expenses	-	(94,255)	94,255
<b>Net changes</b>	<u>32,004,340</u>	<u>50,237,570</u>	<u>(18,233,230)</u>
<b>Balances at December 31, 2024</b>	\$ <u>616,153,168</u>	<u>587,621,941</u>	<u>28,531,227</u>
<b>Changes for the year:</b>			
Service cost	17,066,185	-	17,066,185
Interest on total pension liability	40,615,148	-	40,615,148
Differences between expected and actual experience	2,491,299	-	2,491,299
Assumption changes	(7,336,628)	-	(7,336,628)
Employer contributions	-	12,900,000	(12,900,000)
Employee contributions	-	7,939,915	(7,939,915)
Net investment income	-	98,902,390	(98,902,390)
Benefit payments, including member refunds	(29,374,180)	(29,374,180)	-
Administrative expenses	-	(33,720)	33,720
<b>Net changes</b>	<u>23,461,824</u>	<u>90,334,405</u>	<u>(66,872,581)</u>
<b>Balances at December 31, 2025</b>	\$ <u>639,614,992</u>	<u>677,956,346</u>	<u>(38,341,354)</u>

METROPOLITAN UTILITIES DISTRICT

Notes to Basic Financial Statements

December 31, 2025 and 2024

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The District recognized pension expense of \$5,141,356 and \$11,997,914 for the years ended December 31, 2025 and 2024, respectively.

At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,945,016	2,295,462
Changes of assumptions	1,339,298	6,332,985
Differences between projected and actual earnings on pension plan investments	-	51,148,046
Total	<u>\$ 10,284,314</u>	<u>59,776,493</u>

At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,450,312	4,816,331
Changes of assumptions	2,383,476	-
Differences between projected and actual earnings on pension plan investments	3,604,301	-
Total	<u>\$ 14,438,089</u>	<u>4,816,331</u>

## METROPOLITAN UTILITIES DISTRICT

## Notes to Basic Financial Statements

December 31, 2025 and 2024

The net amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future years as follows:

<u>Year ended December 31:</u>	<u>Net Deferred Outflows/(Inflows) of Resources</u>
2026	\$ 2,260,084
2027	(24,288,307)
2028	(15,521,751)
2029	(11,438,820)
2030	156,210
Thereafter	(659,595)
	<u>\$ (49,492,179)</u>

**(9) Postemployment Benefits****General Information about the OPEB Plan****(a) Plan Description**

The District sponsors the Postretirement Benefits for Employees of the Metropolitan Utilities District of Omaha (OPEB Plan). The Plan is a single employer defined benefit health care plan administered by the District. The OPEB Plan provides certain postemployment healthcare and life insurance benefits to eligible retirees and their spouses in accordance with provisions established by the Board. An employee is eligible to elect medical coverage upon retiring. Eligibility for retirement requires attaining age 55 with five years of service. For employees covered by the collective bargaining agreement, and hired on or after September 28, 2013, coverage ceases at age 65. For employees not covered by the collective bargaining agreement hired after January 1, 2014, coverage ceases at age 65. The OPEB Plan was established and may be amended only by the Board. The plan does not issue separate financial statements.

The Board has fiduciary responsibility for the OPEB Plan along with PNC Institutional Asset Management, who serves in the role of discretionary asset manager/co-fiduciary. The Board consists of seven directors, elected by the District's customer-owners. Administrative responsibility for the OPEB Plan has been delegated to the Board's Insurance and Pension Committee, which consists of three Board members who are appointed by the full Board. The Committee's decisions and direction are implemented by the Management Pension Committee, comprised of the following District employees: the President, the Chief Financial Officer, the General Counsel and the Vice President of Accounting.

METROPOLITAN UTILITIES DISTRICT

Notes to Basic Financial Statements

December 31, 2025 and 2024

**(b) Plan Membership**

As of January 1, 2025, the date of the latest actuarial valuation, membership of the OPEB Plan consisted of the following:

Inactive members or their beneficiaries currently receiving benefits	874
Inactive members entitled to but not yet receiving benefits	15
Active members	<u>896</u>
Total	<u><u>1,785</u></u>

**(c) Contributions**

The contribution requirements of plan members and the District are established and can be amended by the Board. Contributions are made to the plan based on a pay-as-you-go basis, with an additional amount to prefund benefits through an OPEB trust created in 2016, as determined annually by the Board. For the years ended December 31, 2025 and 2024, the following payments were made:

	<b>2025</b>	<b>2024</b>
Water retirees	\$ 3,466,834	\$ 3,209,161
Gas retirees	<u>4,037,135</u>	<u>3,767,275</u>
Total claims/fees paid	7,503,969	6,976,436
Prefunded benefits	5,319,984	7,753,606
Retiree contributions	<u>(2,857,408)</u>	<u>(2,755,369)</u>
Total	<u><u>\$ 9,966,545</u></u>	<u><u>\$ 11,974,673</u></u>

Retiree health premiums are calculated based on a three-year rolling average, with 2025 projected costs serving as the final year of the calculation when determining premiums that went into effect April 1, 2025. Retirees contribute to the cost of retiree health care at varying rates based on their age, as follows: 1) ages 59 and older: 33% of the full premium, 2) age 58: 50% of the full premium and 3) ages 55 through 57: 100% of the full premium. The rates in effect as of April 1, 2025 are as follows: 1) ages 59 and older: \$287.77 per month, 2) age 58: \$431.66 per month and 3) ages 55 through 57: \$863.32 per month. If spousal coverage is purchased, the same age-based monthly rates apply based on the retiree's age, meaning that the cost for spousal coverage is the same as the cost for the retiree's coverage (i.e. in the case of a married couple comprised of a retiree who is 59 and a spouse who is 55; each would pay \$287.77 per month).

## METROPOLITAN UTILITIES DISTRICT

## Notes to Basic Financial Statements

December 31, 2025 and 2024

**OPEB Plan Fiduciary Net Position**

Financial information about the OPEB plan's fiduciary net position and the changes in fiduciary net position for the years ended December 31, 2025 and 2024 are as follows:

**Statements of Plan Fiduciary Net Position at December 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ 1,723,260	399,054
Investments at fair value		
Mutual funds:		
Fixed income funds	33,171,048	27,502,842
Domestic equity funds	62,162,940	52,888,175
International equity funds	40,061,859	30,277,332
Total investments	<u>135,395,847</u>	<u>110,668,349</u>
Total assets	<u>137,119,107</u>	<u>111,067,403</u>
Net position restricted for other postemployment benefits	<u>\$ 137,119,107</u>	<u>111,067,403</u>

**Statements of Changes in the Fiduciary Net Position  
For the Years Ended December 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Additions:		
Employer contributions	\$ 9,966,545	11,974,673
Net investment income	20,731,720	11,140,324
Total additions	<u>30,698,265</u>	<u>23,114,997</u>
Deductions:		
Benefit payments	4,646,561	4,221,067
Administrative expenses	-	10,890
Total deductions	<u>4,646,561</u>	<u>4,231,957</u>
Net increase	26,051,704	18,883,040
Net position restricted for other postemployment benefits:		
Beginning of year	111,067,403	92,184,363
End of year	<u>\$ 137,119,107</u>	<u>111,067,403</u>

METROPOLITAN UTILITIES DISTRICT

Notes to Basic Financial Statements

December 31, 2025 and 2024

**Net OPEB Liability**

The net OPEB liability as of December 31, 2025 and 2024 was as follows:

	<b>2025</b>	<b>2024</b>
Total OPEB liability	\$ 145,137,616	174,995,790
Fiduciary net position	137,119,107	111,067,403
Net OPEB liability	8,018,509	63,928,387
Fiduciary net position as a % of total OPEB liability	94.48%	63.47%

**(a) Actuarial Assumptions**

The District's net OPEB liability was measured as of December 31, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined based on an actuarial valuation prepared as of January 1, 2025 rolled forward using standard actuarial techniques to December 31, 2025.

The total OPEB liability was determined using the following actuarial assumptions:

	<b>2025</b>	<b>2024</b>
Inflation	2.50%	2.50%
Salary increases, including inflation	3.75% to 13.5%	3.65% to 10.4%
Long-term investment rate of return, net of OPEB plan investment expenses, including inflation	6.75%	6.75%
Healthcare cost trend rates:		
Medical trend assumptions (under age 65)	7.00% - 4.50%	7.00% - 4.50%
Medical trend assumptions (Age 65 and older)	5.50% - 4.50%	5.50% - 4.50%
Year of ultimate trend rate	Fiscal Year Ended 2035	Fiscal Year Ended 2033

**2025**

Pre-retirement mortality rates were based on the Pub-2016 General Members (Median) Employee Mortality Table projected generationally using the MP-2021 Scale.

Post-retirement mortality rates for retirees were based on the Pub-2016 General Members (Median) Retiree Mortality Table projected generationally using the MP-2021 Scale.

Post-retirement mortality rates for beneficiaries were based on the Pub-2016 General Members (Median) Contingent Survivor Mortality Table projected generationally using the MP-2021 Scale.

Disability mortality rates were based on the Pub-2016 Non-Safety Disabled Retiree Mortality Table projected generationally using the MP-2021 Scale.

The actuarial assumptions used in the valuation are based on the results of the most recent actuarial experience study, which covered the four-year period ending December 31, 2024, unless otherwise noted.

## METROPOLITAN UTILITIES DISTRICT

## Notes to Basic Financial Statements

December 31, 2025 and 2024

**2024**

Pre-retirement mortality rates were based on the Pub-2010 General Members (Median) Employee Mortality Table projected generationally using the MP-2020 Scale.

Post-retirement mortality rates for retirees were based on the Pub-2010 General Members (Median) Retiree Mortality Table projected generationally using the MP-2020 Scale.

Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Members (Median) Contingent Survivor Mortality Table projected generationally using the MP-2020 Scale.

Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree Mortality Table projected generationally using the MP-2020 Scale.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumed long-term rate of return is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimate of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic (U.S.) equities		
U.S. large cap	37.7 %	3.5 %
U.S. mid cap	3.0	4.3
U.S. small cap	1.3	2.8
International (Non-U.S.) equities	21.4	4.9
Emerging markets	7.6	4.0
U.S. aggregate bonds	11.0	2.0
International bonds	3.0	2.0
Intermediate term credit	9.0	2.0
Short term credit	2.0	0.9
REITS	4.0	3.3
Total	100.0 %	

**METROPOLITAN UTILITIES DISTRICT**

Notes to Basic Financial Statements

December 31, 2025 and 2024

**(b) Discount Rate**

The discount rate used to measure the total OPEB liability at December 31, 2025 and 2024 was 6.75%. The projection of cash flows used to determine the discount rate was based on an actuarial valuation performed as of January 1, 2025 with some adjusted assumptions regarding election of coverage. In addition to the actuarial methods and assumptions, the following actuarial methods and assumptions were used in the projection of cash flows:

- a. The District is currently paying benefits on a pay-as-you-go basis and has established a trust to pay future benefits. The trust is still growing and has not yet begun to pay benefit payments. The District will begin to pay benefits from the trust in 2026.
- b. Based on the funding policy adopted on August 1, 2018, the District intends to contribute, at a minimum, the Actuarially Determined Contribution (ADC) for all years beginning in 2019. The ADC is calculated under funding assumptions, not under GASB 74 or GASB 75 assumptions. There is a separate January 1, 2025 funding report, issued October 21, 2025, that describes the assumptions and methods used to determine the ADC.
- c. Because there is a formal funding policy, the amount contributed in future years follows the funding policy: 100% of the ADC.
- d. Administrative expenses in the prior year were projected forward with price inflation as an estimate for administrative expenses in current and future years. The portion of expenses in future years allocated to the current members was based on the proportionate share of covered payroll in each year for the remainder of the existing members to the total covered payroll for all members.
- e. Projected future payments for all current plan members were projected into the future.

Based on these assumptions, the plan’s Fiduciary Net Position (FNP) was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of a single equivalent interest rate (SEIR). The long-term expected rate of return of 6.75% on Plan investments was applied to all periods, resulting in a SEIR of 6.75%.

**(c) Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the District as of December 31, 2025, calculated using the discount rate of 6.75%, as well as the District’s net OPEB (asset)/liability calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

<b>2025</b>	<b>1% Decrease (5.75%)</b>	<b>Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
Net OPEB liability (asset) \$	26,604,263	8,018,509	(7,424,571)

METROPOLITAN UTILITIES DISTRICT

Notes to Basic Financial Statements

December 31, 2025 and 2024

The following presents the net OPEB liability of the District as of December 31, 2024, calculated using the discount rate of 6.75%, as well as the District’s net OPEB liability calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

<b>2024</b>	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>(5.75%)</b>	<b>(6.75%)</b>	<b>(7.75%)</b>
Net OPEB liability	\$ <u>86,535,182</u>	<u>63,928,387</u>	<u>45,263,429</u>

*(d) Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates*

The following presents the net OPEB (asset)/liability of the District as of December 31, 2025, calculated using the healthcare cost trend rate of 7.00% decreasing to 4.50% for pre-Medicare and 5.50% decreasing to 4.50% for Medicare eligible, as well as the District’s net OPEB liability calculated using a healthcare trend rate that is 1 percentage point lower (6.00% decreasing to 3.50%) or 1 percentage point higher (8.00% decreasing to 5.50%) than the current rate:

<b>2025</b>	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>Trend Rates</b>	<b>Trend Rates</b>	<b>Trend Rates</b>
Net OPEB liability (asset)	\$ <u>(9,166,488)</u>	<u>8,018,509</u>	<u>28,996,860</u>

The following presents the net OPEB liability of the District as of December 31, 2024, calculated using the healthcare cost trend rate of 7.00% decreasing to 4.50% for pre-Medicare and 5.50% decreasing to 4.50% for Medicare eligible, as well as the District’s net OPEB liability calculated using a healthcare trend rate that is 1 percentage point lower (6.00% decreasing to 3.50%) or 1 percentage point higher (8.00% decreasing to 5.50%) than the current rate:

<b>2024</b>	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>Trend Rates</b>	<b>Trend Rates</b>	<b>Trend Rates</b>
Net OPEB liability	\$ <u>41,748,819</u>	<u>63,928,387</u>	<u>91,251,639</u>

METROPOLITAN UTILITIES DISTRICT

Notes to Basic Financial Statements

December 31, 2025 and 2024

(e) *Changes in Net OPEB Liability*

	<b>Increases (Decreases)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) - (b)</b>
<b>Balances at December 31, 2023</b>	\$ 164,698,591	92,184,362	72,514,229
<b>Changes for the year:</b>			
Service cost	3,541,247	-	3,541,247
Interest on total OPEB liability	10,977,019	-	10,977,019
Employer contributions	-	11,974,673	(11,974,673)
Net investment income	-	11,140,324	(11,140,324)
Benefit payments, including			
member refunds	(4,221,067)	(4,221,067)	-
Administrative expenses	-	(10,889)	10,889
<b>Net changes</b>	<u>10,297,199</u>	<u>18,883,041</u>	<u>(8,585,842)</u>
<b>Balances at December 31, 2024</b>	<u>\$ 174,995,790</u>	<u>111,067,403</u>	<u>63,928,387</u>
<b>Changes for the year:</b>			
Service cost	3,027,794	-	3,027,794
Interest on total OPEB liability	11,657,955	-	11,657,955
Differences between expected and			
actual experience	(39,098,525)	-	(39,098,525)
Assumption changes	(798,837)	-	(798,837)
Employer contributions	-	9,966,545	(9,966,545)
Net investment income	-	20,731,720	(20,731,720)
Benefit payments, including			
member refunds	(4,646,561)	(4,646,561)	-
<b>Net changes</b>	<u>(29,858,174)</u>	<u>26,051,704</u>	<u>(55,909,878)</u>
<b>Balances at December 31, 2025</b>	<u>\$ 145,137,616</u>	<u>137,119,107</u>	<u>8,018,509</u>

## METROPOLITAN UTILITIES DISTRICT

## Notes to Basic Financial Statements

December 31, 2025 and 2024

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The District recognized OPEB income of \$4,020,006 and \$4,308,932 for the years ended December 31, 2025 and 2024, respectively.

At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	41,122,576
Changes of assumptions	4,343,011	682,895
Differences between projected and actual earnings on OPEB plan investments	-	12,452,670
Total	<u>\$ 4,343,011</u>	<u>54,258,141</u>

At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	12,637,185
Changes of assumptions	6,291,769	32,284
Differences between projected and actual earnings on OPEB plan investments	-	1,614,103
Total	<u>\$ 6,291,769</u>	<u>14,283,572</u>

METROPOLITAN UTILITIES DISTRICT

Notes to Basic Financial Statements

December 31, 2025 and 2024

The net amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits will be recognized in OPEB expense in future years as follows:

<b>Year ended December 31:</b>	<b>Net Deferred Outflows/(Inflows) of Resources</b>
2026	\$ (9,957,539)
2027	(11,139,712)
2028	(9,420,010)
2029	(8,453,602)
2030	(5,790,619)
Thereafter	(5,153,648)
	<u>\$ (49,915,130)</u>

**(10) Deferred Compensation**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all District employees and permits them to defer a portion of their salary until future years. Beginning January 1, 2024, for bargaining employees, the District matches 50% of the first \$3,000 deferred by employees hired before September 28, 2013; for employees hired after September 28, 2013, the District matches 100% of the first \$2,500 deferred by employees effective upon hire date. For employees not covered by the collective bargaining agreement, the District matches 50% of the first \$3,000 deferred by employees hired before September 28, 2013; for employees hired after September 28, 2013, the District matches 100% of the first \$2,500 deferred by employees effective upon hire date.

“Matching” contributions are remitted following each pay period during which amounts are deferred by eligible employees, until the aforementioned matching limitations are reached; matching contributions immediately vest. The deferred compensation, and associated matching contribution, are available to employees when one of three events occurs: separation of employment, hardship for unforeseeable emergency, or a small balance distribution. District matching contributions totaled \$1,366,344 and \$1,267,478 for 2025 and 2024, respectively. Management has determined the criteria established in GASB Statements No. 84 and 97 for control of assets has not been met for this plan, and therefore it is not reported as a fiduciary fund.

## METROPOLITAN UTILITIES DISTRICT

## Notes to Basic Financial Statements

December 31, 2025 and 2024

**(11) Self-Insured Risks**

The District is exposed to various risk of loss related to torts, theft of and destruction of assets, errors and omissions, and natural disasters. In addition, the District is exposed to risks of loss due to injuries to, and illnesses of, its employees. The District provides its employees with two health insurance options, both of which are primarily self-insured: a Health Maintenance Organization (HMO) and a preferred provider Organization (PPO). The District utilizes an “Administrative Services Only” contract under which the District reimburses the HMO/PPO for actual claims paid, a monthly administrative fee, and stop-loss protection for individual claims. Individual stop-loss coverage is effective when annual individual claims exceed \$425,000, and when aggregate claims exceed 125% of projected levels. A liability for claims is recorded in accounts payable, and was \$1,283,742 and \$1,908,758 at December 31, 2025 and 2024, respectively.

Changes in the District’s self-insured risk balances for the health plan during 2025 and 2024 are as follows:

	<b>Business-type Activities Total</b>	
	<b>2025</b>	<b>2024</b>
Beginning balance	\$ 1,908,758	1,688,883
Expenses	34,889,100	34,473,842
Payments	(35,514,116)	(34,253,967)
Ending balance	<u>\$ 1,283,742</u>	<u>1,908,758</u>

The District carries commercial insurance coverage for property with deductibles ranging from \$40,000 to \$500,000. The District is also self-insured for workers’ compensation and general liability and does not carry additional commercial coverage. There have been no significant reductions in insurance coverage in 2025. Effective June 15, 2023, the District is also self-insured for auto physical damage. In 2025 and 2024, the insurance policies in effect have adequately covered all settlements of claims against the District. No claims have exceeded the limits of property or liability insurance in any of the past three years. Liabilities are recorded for these self-insured risks. The liabilities are based on a combination of loss experience and estimates by the District’s in-house legal department.

Changes in the District’s self-insured risk balances for workers’ compensation and general liabilities during 2025, and 2024 are as follows:

	<b>2025</b>	<b>2024</b>	<b>2023</b>
Gas Department			
Beginning balance	\$ 2,252,085	2,038,028	4,248,222
Expenses	1,297,607	1,105,196	2,098,470
Payments	(757,442)	(891,139)	(4,308,664)
Ending balance	<u>\$ 2,792,250</u>	<u>2,252,085</u>	<u>2,038,028</u>
Water Department			
Beginning balance	\$ 4,736,811	3,404,257	4,500,014
Expenses	2,688,970	5,067,448	627,577
Payments	(3,247,641)	(3,734,894)	(1,723,334)
Ending balance	<u>\$ 4,178,140</u>	<u>4,736,811</u>	<u>3,404,257</u>

METROPOLITAN UTILITIES DISTRICT

Notes to Basic Financial Statements

December 31, 2025 and 2024

**(12) Allowance for Doubtful Accounts and Accounts Receivable Write-offs**

The allowance for doubtful accounts provides for the potential write-off of uncollectible account balances. An estimate is made for the Allowance for Doubtful Accounts based on an analysis of the aging of Accounts Receivable and historical write-offs. The District's policy is to write off receivable balances that are over five years old. During 2025, the Water Department and Gas Department wrote off receivables totaling \$631,961 and \$467,759, respectively. During 2024, the Water Department and Gas Department wrote off receivables totaling \$708,714 and \$700,003, respectively. The allowance consists of the following at December 31:

	<u>2025</u>	<u>2024</u>
Water Department	\$ 1,802,306	1,623,932
Gas Department	3,821,757	3,667,298
	<u>\$ 5,624,063</u>	<u>5,291,230</u>

**(13) Commitments**

**(a) Central Plains Energy Project (CPEP)**

Central Plains Energy Project (CPEP) is a public body created under Nebraska Interlocal Law for the purpose of securing long-term, economical, and reliable gas supplies. CPEP currently has three members: the District, Cedar Falls Utilities, and Hastings Utilities, each of which has equal representation on the board of CPEP. CPEP has acquired gas through long-term prepaid gas purchase agreements and delivers gas to its members or customers through long-term gas supply contracts for specified volumes of gas at market-based pricing less a contractual discount. Members or customers are only obligated to pay for gas if, and when, delivered by CPEP. CPEP's debt is not an obligation of the District or any other members or customers of CPEP. CPEP has issued \$4.2 billion of gas supply revenue bonds (\$2.4 billion of outstanding bonds) to fund these natural gas prepayment transactions, which are secured by gas contracts entered into with each project's members or customers. MUD currently has four Gas Supply Agreements with CPEP as described below.

In 2009, MUD participated in the CPEP Project 2 Series transaction. This agreement was for a 30-year supply of gas that the District is taking approximately 88% of the gas acquired in this agreement or 16% of the District's annual gas requirements. This project was refinanced in 2014 subsequent to litigation. The 2014 bonds were refinanced into a 5-year mandatory put of the bonds. The gas in this agreement had 25-years remaining and gas flow was scheduled to end in 2039. In 2019, this project was refinanced as required in the 2014 documents. In 2025, Project 2 was refinanced again and extended through June 2055 and is structured in a similar 5-year mandatory put of the bonds. In 2031 CPEP will have to negotiate a refinance of this transaction.

In 2012, the District participated in CPEP Project 3 Series Transaction. This agreement is for a 30-year supply of gas that the District is taking approximately 86% of the gas acquired in this agreement or 15% of the District's annual gas requirements. This agreement is for a 30-year fixed term with defined savings over the life of the project. In 2017, CPEP issued crossover refunding bonds to refinance this transaction. The refinancing increased the District's savings from and after the September 1, 2022 crossover date.

METROPOLITAN UTILITIES DISTRICT

Notes to Basic Financial Statements

December 31, 2025 and 2024

In 2018, the District participated in CPEP Project 4 Series Transaction. This agreement is for a 30-year supply of gas that the district is taking approximately 76% of the gas acquired in this agreement or 17% of the District's annual gas requirements. In 2023, CPEP and MUD refinanced this agreement for another 6-year term, and it. As part of this refinance, an Asset Management Agreement (AMA) was added for CPEP/J.Aron to manage the demand transportation component of the gas purchased on this transaction. This AMA increased the available gas discount for the District. After this additional 6-year term, CPEP, and the counterparty to the transaction, will negotiate an extension of the contractual gas discounts based on market rates at that time. The District is not required to purchase gas after the initial five-year term unless the discount to market is \$.20 per Dth or greater; parties to the agreement believe that it is probable that volumes will be taken for the full 30-year duration of the agreement.

In 2022, the District participated in CPEP Project 5 Series Transaction. This agreement is for a 30-year supply of gas that the District is taking approximately 79% of the gas acquired in this agreement or 8.7% of the District's annual gas requirements. This agreement is currently scheduled to expire in 2053. In addition to the prepaid gas included in this agreement, the District also entered into an Asset Management Agreement (AMA) with CPEP/J.Aron to manage the transportation demand charges associated with gas purchased under this agreement. This additional AMA increased the available gas discount for the District. This agreement is for an initial 7-year term and subject to refinancing at the end of this term. After this initial term, CPEP, and the counterparty to the transaction, will negotiate an extension of the contractual gas discounts based on market rates at that time. The District is not required to purchase gas after the initial seven-year term unless the discount to market is \$.25 per Dth or greater; parties to the agreement believe that it is probable that volumes will be taken for the full 30-year duration of the agreement.

At December 31, 2025, the District owed CPEP \$11,986,161 for gas purchases under these agreements, which is recorded within "Accounts payable" in the statements of net position. During the year ended December 31, 2025, billings from CPEP to the District for services provided under these agreements were \$59,480,304.

The District has contracted to purchase the following volumes of gas from CPEP, through 2054, at a discount to market-based pricing on a pay-as-you-go basis:

	<u>DTH</u>
2026	18,862,293
2027	18,862,293
2028	18,950,366
2029	18,862,293
2030	18,862,293
2031-2054	<u>430,816,654</u>
	<u><u>525,216,192</u></u>

In 2025, the District purchased 18,862,293 DTH of gas under these agreements, representing 60% of the District's annual gas requirements.

METROPOLITAN UTILITIES DISTRICT

Notes to Basic Financial Statements

December 31, 2025 and 2024

**(b) Other Gas Supply Agreements**

The District has various other gas supply contracts with a variety of suppliers, which consist of contracts that expire March 31, 2026 and October 31, 2026 and are generally renewed on an annual basis. The District has a gas supply contract that expires March 31, 2028 that was purchased based off market conditions and is not an annual purchase.

In 2017, the District entered into a 30-year gas supply contract with the Tennessee Energy Acquisition Corporation (TEAC) for three to four percent of our annual gas requirements. TEAC completed a 30-year natural gas pre-pay transaction using tax exempt bond financing that closed on November 7, 2017; the District was a participant in the deal. Gas flows commenced on April 1, 2018, and the District will achieve total gas cost savings of \$1.4 million vs. market prices over the initial five-year term of the deal. In 2023, the District worked with TEAC to refinance the agreement into a new five-year term. This agreement is currently scheduled to expire in 2053. After the additional five-year term, TEAC, and the counterparty to the transaction, will negotiate an extension of the contractual gas discounts based on future interest rate levels at that time. The District is not required to purchase gas after the initial five-year term unless the discount to market is \$.20 per Dth or greater; parties to the agreement believe that it is probable that volumes will be taken for the full 30-year duration of the agreement.

The District has contracted to purchase the following volumes of gas from TEAC, through 2053, at a discount to market-based pricing on a pay-as-you-go basis:

	<u>DTH</u>
2026	1,401,600
2027	1,358,500
2028	1,571,300
2029	1,566,200
2030	1,566,200
2031-2053	<u>35,079,300</u>
	<u>42,543,100</u>

In February 2018, the District entered into a 30-year gas supply contract with the Public Energy Authority of Kentucky (PEAK) for approximately five percent of our annual gas requirements. Gas flows commenced on April 1, 2018, and the District will achieve total gas cost savings of \$1.7 million vs. market prices over the initial five-year term of the deal. In 2023, the District and PEAK worked to refinance the agreement for an additional seven-year term. This agreement is currently scheduled to expire in 2053. After the additional seven-year term, PEAK, and the counterparty to the transaction, will negotiate an extension of the contractual gas discounts based on market rates at that time. The District is not required to purchase gas after the initial five-year term unless the discount to market is \$.20 per Dth or greater; parties to the agreement believe that it is probable that volumes will be taken for the full 30-year duration of the agreement.

METROPOLITAN UTILITIES DISTRICT

Notes to Basic Financial Statements

December 31, 2025 and 2024

The District has contracted to purchase the following volumes of gas from PEAK, through 2053, at a discount to market-based pricing on a pay-as-you-go basis:

	<b>DTH</b>
2026	1,554,305
2027	1,315,481
2028	1,638,960
2029	1,663,057
2030	1,663,057
2030-2053	42,659,010
	50,493,870

In March 2018, the District entered into a 30-year gas supply contract with the Black Belt Energy Gas District (Black Belt) for approximately three percent of our annual gas requirements. Gas flows commenced on November 1, 2018, and the District will achieve total gas cost savings of \$1.8 million vs. market prices over the initial five-year term of the deal. In 2023, the District and Black Belt worked to refinance the agreement for an additional five-year term. After the additional five-year term, Black Belt, and the counterparty to the transaction, will negotiate an extension of the contractual gas discounts based on market rates at that time. The District is not required to purchase gas after the initial five-year term unless the discount to market is \$.20 per Dth or greater; parties to the agreement believe that it is probable that volumes will be taken for the full 30-year duration of the agreement.

The District has contracted to purchase the following volumes of gas from Black Belt, through 2048, at a discount to market-based pricing on a pay-as-you-go basis:

	<b>DTH</b>
2026	1,319,795
2027	1,443,640
2028	1,715,640
2029	1,707,140
2030	1,707,140
2031-2048	30,323,920
	38,217,275

## METROPOLITAN UTILITIES DISTRICT

### Notes to Basic Financial Statements

December 31, 2025 and 2024

#### **(c) Gas Transportation Agreement**

On November 7, 2012, the District's entered into a twenty (20) year firm transportation agreement with Northern Natural Gas; the term of the agreement runs from November 1, 2016 to October 31, 2036. Under this agreement, NNG will provide 198,975 Dth/day of firm transportation service during the months of November through March and 139,283 Dth/day of firm transportation service during the months of April through October. Per the terms of the agreement, 61% of the transportation volumes are priced at a discounted rate below NNG's maximum tariff rate with the remaining 39% priced at NNG's maximum tariff rates. The District's annual pipeline demand and storage demand fees under this agreement are capped at a maximum of \$20 million until October 31, 2026 and \$21.3 million until October 31, 2036.

In June 2019, NNG filed a rate case with the Federal Energy Regulatory Commission (FERC) to increase their rates by over 90%. NNG and its shippers agreed to a settlement in June 2020 with higher rates effective January 1, 2020. The District's existing contract has a rate cap due to any rate cases that has a maximum annual fee of \$20 million. After settlement, all of the District's transportation rates are now discounted below their proposed rates. Since the settlement rates were higher than our discounted rates with our contract cap we did not receive any refunds from the interim rates in effect until settlement. The District did have some additional commodity fees from the settlement period that were refunded to the District. The rate cap of \$20 million in our contract is approximately \$8 million lower than the annual settlement demand rates.

In June 2022, NNG filed a rate case with the Federal Energy Regulatory Commission (FERC) to increase their rates. NNG and its shippers agreed to a settlement in 2023 with higher rates effective January 1, 2023. Due to the rate cap, as explained above, the rate increase has no impact on the District's annual transportation and storage demand charges paid to NNG by the District. Our annual rate cap of \$20 million is approximately \$16.9 million lower than the new transportation and storage demand rates that went into effect on January 1, 2023.

In June 2025, NNG filed a rate case with the Federal Energy Regulatory Commission (FERC) to increase their rates. NNG and its shippers have not settled or resolved this case and NNG is currently charging interim rates that are subject to refund to customers if settlement rates are lower. The rate case requests an 85% increase to their base transportation demand charges and 48% increase to storage rates. The MUD-NNG rate cap agreement will save MUD \$47 million if the proposed filed rates are adopted and \$41 million from the interim rates are adopted.

#### **(d) Construction**

At December 31, 2025, the District's obligation under the uncompleted portion of contracts for plant facilities and equipment for the Water Department amounted to approximately \$1.0 million, which will be financed through operations and the proceeds from the Water System Revenue Bonds Series 2022. For the Gas Department, obligations amounted to approximately \$6.7 million at December 31, 2025, which will be financed through operations and the proceeds from the Gas System Revenue Bonds Series 2022 and Series 2023.

## METROPOLITAN UTILITIES DISTRICT

## Notes to Basic Financial Statements

December 31, 2025 and 2024

**(14) Subsequent Events**

On March 25, 2026, the District issued approximately \$269.4 million of Water System Revenue Refunding Bonds, Series 2026, which will be used to execute the District's construction improvement plan for the three water treatment plants along with variance other system improvements. The issuance includes the refunding of Water Revenue Bonds Series 2012, 2015, and 2018. Principal payments on the Water System Revenue Refunding Bonds commence on June 1, 2026 and continue annually until December 1, 2046. Interest rates on this issue range from 4.0% to 5.0%.

**(15) Change in Accounting Estimate**

During fiscal year 2025, the District updated the methodology used to estimate the gas unbilled revenue accrual. This reevaluation was performed in accordance with the requirements of GASB Statement No. 100, Accounting Changes and Error Corrections, which provides guidance for reporting changes in accounting estimates when new information or improved methodologies become available.

Historically, the District estimated unbilled revenue using matching of gas purchase expenses with gas revenues and reconciling the volumes billed in the system to the volumes purchased in each month. The new methodology uses a retrospective review for the first time due to new experience gained with the data available. This change represents a change in accounting estimate under GASB 100 and is applied prospectively.

The effect of this change was a decrease in current-year unbilled accounts receivable accrual of \$22.9 million in the Gas Department. Because changes in accounting estimates are applied prospectively, no restatement of beginning net position was required.

Management believes the revised methodology provides a more accurate representation of earned, but unbilled revenue based on current operational data.

**METROPOLITAN UTILITIES DISTRICT**

Required Supplementary Information  
Schedule of Changes in Net OPEB Liability and Related Ratios  
Fiscal Years ended December 31

	2025	2024	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>									
Service cost	\$ 3,027,794	3,541,247	3,263,676	3,168,618	3,937,556	3,804,402	4,185,594	7,514,662	7,150,328
Interest	11,657,955	10,977,019	10,382,538	9,825,208	10,554,294	9,825,558	9,923,893	9,748,668	9,806,106
Differences between expected and actual experience	(39,098,525)	-	(6,509,765)	-	(23,900,067)	-	(513,787)	-	-
Assumption changes	(798,837)	-	5,944,698	-	6,340,679	-	(9,717,898)	(64,476,519)	(41,305,207)
Benefit payments	(4,646,561)	(4,221,067)	(4,325,237)	(5,135,713)	(3,558,023)	(2,595,146)	(3,879,157)	(4,253,765)	(4,015,207)
Net change in total OPEB liability	(29,858,174)	10,297,199	8,755,910	7,838,113	(6,625,561)	11,034,814	(1,355)	(51,466,954)	8,810,707
Total OPEB liability, beginning	174,995,790	164,698,591	155,942,681	148,084,568	154,710,129	143,675,315	143,675,315	195,143,624	186,332,917
Total OPEB liability, ending (a)	\$ 145,137,616	174,995,790	164,698,591	155,942,681	148,084,568	154,710,129	143,675,315	143,676,670	195,143,624
<b>Plan Fiduciary Net Position</b>									
Employer contributions	\$ 9,966,545	11,974,673	11,855,281	11,277,253	13,250,226	14,242,079	14,254,367	16,704,020	11,015,207
Net investment income (loss)	20,731,720	11,140,324	12,962,452	(14,114,823)	9,692,659	7,319,380	6,541,647	(1,616,178)	1,407,980
Benefit payments	(4,646,561)	(4,221,067)	(4,325,237)	(5,135,713)	(3,558,023)	(2,595,146)	(3,879,157)	(4,253,765)	(4,015,207)
Administrative expenses	-	(10,889)	(10,524)	(9,746)	(9,001)	(6,132)	(3,367)	(3,194)	(1,491)
Net change in plan fiduciary net position	26,051,704	18,883,041	20,481,972	(7,983,029)	19,375,861	18,960,181	16,913,490	10,830,883	8,406,489
Plan fiduciary net position, beginning	111,067,403	92,184,362	71,702,590	79,685,419	60,309,558	41,349,377	24,435,887	13,605,004	5,198,515
Plan fiduciary net position, ending (b)	\$ 137,119,107	111,067,403	92,184,362	71,702,390	79,685,419	60,309,558	41,349,377	24,435,887	13,605,004
Net OPEB liability, ending (a) - (b)	\$ 8,018,509	63,928,387	72,514,229	84,240,291	68,399,149	94,400,571	102,325,938	119,240,783	181,538,620
Plan fiduciary net position as a percentage of the total OPEB liability	94.48%	63.47%	55.97%	45.98%	53.81%	38.98%	28.78%	17.01%	6.97%
Covered payroll	98,294,172	92,549,569	86,492,121	78,036,221	74,635,409	73,975,548	69,759,343	68,704,312	67,761,364
Net OPEB liability as a percentage of covered payroll	8.16%	69.07%	83.84%	107.95%	91.64%	127.61%	146.68%	173.56%	267.91%

**Notes to Schedule:**

- Changes in actuarial assumptions and methods:
- 1/1/25 valuation (assumptions used for measuring total OPEB liability as of December 31, 2025):
- Mortality rates to be based on Pub-2016 tables and projections using the MP-2021
  - Withdrawal and Retirement rates were adjusted to better reflect actual experience.
  - Salary scale was increased from 3.40% to 3.75%
  - Health care cost trend rates and retiree claim costs were updated.
  - Retiree claim costs were adjusted to better reflect actual experience.
  - Monthly retiree premiums were updated.
- 1/1/23 valuation (assumptions used for measuring total OPEB liability as of December 31, 2023):
- Per capita health care costs and rates of health care inflation used to project the per capita costs were updated
  - Health care cost trend rates and retiree claim costs were updated.
  - Monthly retiree premiums were updated.
- 1/1/21 valuation (assumptions used for measuring total OPEB liability as of December 31, 2021):
- The discount rate was held at 6.75%.
  - Mortality rates to be based on Pub-2010 tables and projections using the MP-2020
  - Withdrawal and Retirement rates were unchanged
  - Salary scale was held at 3.40%
  - The spousal coverage assumption was held at 60%
  - Price inflation assumption was at 2.50%

Note: Schedule is intended to show 10-year trend. GASB 74 was adopted in 2017, as such, only nine years are presented. Additional years will be reported as they become available.

**METROPOLITAN UTILITIES DISTRICT**

Required Supplementary Information  
 Schedule of Employer Contributions - Other Post Employment Benefits  
 January 1, 2016 Through December 31, 2025  
 (\$ in Thousands)

<u>Fiscal Year Ending December 31</u>	<u>Actuarial Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2016	\$ 16,874	\$ 8,167	\$ 8,707	\$ 66,054	12.36%
2017	15,950	11,015	4,935	67,761	16.26%
2018	15,950	16,704	(754)	67,761	24.65%
2019	13,545	14,254	(709)	69,759	20.43%
2020	13,545	14,242	(697)	73,975	19.25%
2021	10,565	13,250	(2,685)	74,635	17.75%
2022	10,565	11,277	(712)	78,036	14.45%
2023	11,790	11,855	(65)	86,492	13.71%
2024	11,790	11,975	(185)	92,550	12.94%
2025	6,811	9,967	(3,156)	98,294	10.14%

Beginning Fiscal Year ending December 31, 2017, the Actuarial Determined Contribution (ADC) is calculated in accordance with the District's funding policy, if one exists.

Prior to Fiscal Year ending December 31, 2017, the ADC is equal to the Annual Required Contribution (ARC) calculated under GASB Standards No. 45.

**Notes to Schedule**

Valuation date: January 1, 2025

Methods and assumptions used to determine contribution rates:

Actuarial cost method                      Entry Age Normal  
 Amortization method                      Level Dollar  
 Remaining amortization period           20 years  
 Asset valuation method                    Market value  
 Long-term investment rate of return       6.75%  
 Inflation                                      2.50%

Healthcare cost trend rates:

    Under age 65                              7.00% - 4.50%  
     65 and Older                             5.50% - 4.50%

Mortality                                      Pub-2016 Mortality Tables projected generationally using Scale MP-2021.

**METROPOLITAN UTILITIES DISTRICT**

Required Supplementary Information

Schedule of Annual Money-Weighted Rate of Return on OPEB Plan Investments

Fiscal Years ended December 31

<b>Fiscal Year Ending December 31</b>	<b>Annual Money-Weighted Rate of Return</b>
2016	6.3%
2017	16.2%
2018	-8.0%
2019	21.4%
2020	15.8%
2021	14.8%
2022	-17.0%
2023	17.0%
2024	11.7%
2025	18.3%

**METROPOLITAN UTILITIES DISTRICT**

Required Supplementary Information  
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios  
Fiscal Years ended December 31

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total Pension Liability</b>										
Service cost	\$ 17,066,185	15,812,155	14,685,921	13,490,074	13,007,768	12,718,417	11,710,809	11,863,654	11,137,854	10,857,017
Interest on total pension liability	40,615,148	38,496,096	36,716,217	34,985,031	34,269,868	33,306,797	31,734,106	30,304,199	29,552,506	28,076,211
Differences between expected and actual experience	2,491,299	5,828,031	2,296,397	3,108,808	(6,869,382)	(9,512,053)	1,714,570	(1,597,520)	(5,835,431)	(1,578,237)
Assumption changes	(7,336,628)	-	-	-	5,498,608	(1,714,570)	8,713,229	(1,597,520)	8,713,229	-
Benefit payments, including member refunds	(29,374,180)	(28,131,942)	(26,553,746)	(25,339,507)	(23,236,403)	(21,897,160)	(21,204,786)	(19,116,693)	(17,445,020)	(16,555,144)
Net change in total pension liability	23,461,824	32,004,340	27,144,789	26,244,406	22,670,459	14,616,001	29,705,723	21,453,640	26,123,138	20,799,847
Total pension liability, beginning	616,153,168	584,148,828	557,004,039	530,759,633	508,089,174	493,473,173	463,767,450	442,313,810	416,190,672	395,390,825
Total pension liability, ending (a)	\$ 639,614,992	616,153,168	584,148,828	557,004,039	530,759,633	508,089,174	493,473,173	463,767,450	442,313,810	416,190,672
<b>Plan Fiduciary Net Position</b>										
Employer contributions	\$ 12,900,000	12,912,828	11,055,924	10,500,000	11,600,000	12,300,000	12,300,000	11,606,179	11,193,821	10,300,000
Employee contributions	7,939,915	7,498,276	6,991,643	5,994,641	5,374,956	5,021,423	4,413,137	3,805,373	3,757,444	3,895,899
Net investment income	98,902,390	58,052,663	75,376,746	(97,597,177)	69,875,660	66,226,054	78,431,581	(20,727,828)	52,812,850	25,696,348
Benefit payments, including member refunds	(29,374,180)	(28,131,942)	(26,553,746)	(25,339,507)	(23,236,403)	(21,897,160)	(21,204,786)	(19,116,693)	(17,445,020)	(16,555,144)
Administrative expenses	(33,720)	(94,255)	(92,954)	(100,218)	(103,969)	(92,241)	(70,123)	(94,940)	(94,161)	(85,186)
Net change in plan fiduciary net position	90,334,405	50,237,570	66,777,613	(106,542,261)	63,510,244	61,538,076	73,869,809	(24,327,909)	50,224,934	23,251,917
Plan fiduciary net position, beginning	587,621,941	577,384,371	470,606,758	577,149,019	513,638,775	452,080,699	378,210,890	402,738,799	352,513,865	329,261,948
Plan fiduciary net position, ending (b)	\$ 677,956,346	587,621,941	537,384,371	470,606,758	577,149,019	513,638,775	452,080,699	378,210,890	402,738,799	352,513,865
Net pension (asset) liability, ending (a) - (b)	\$ (38,341,354)	28,531,227	46,764,457	86,397,281	(46,389,386)	(5,549,601)	41,392,474	85,556,560	39,575,011	63,676,807
Fiduciary net position as a percentage of the total pension liability	105.99%	95.37%	91.99%	84.49%	108.74%	101.09%	91.61%	81.55%	91.05%	84.70%
Covered payroll	\$ 88,218,090	83,387,029	77,757,044	70,609,770	67,274,914	66,588,665	63,272,421	62,865,829	62,624,066	61,064,398
Net pension (asset) liability as a percentage of covered payroll	-43.46%	34.22%	60.14%	122.36%	-68.95%	-8.33%	65.42%	136.09%	63.19%	104.28%

**Notes to Schedule:**

Changes to benefit terms and funding terms:

- 2023: The member contribution rate increased from 8.50% to 9.00% of total pay, as scheduled
- 2022: The member contribution rate increased from 8.00% to 8.50% of total pay, as scheduled
- 2021: The member contribution rate increased from 7.50% to 8.00% of total pay, as scheduled
- 2020: The member contribution rate increased from 7.00% to 7.50% of total pay, as scheduled
- 2019: The member contribution rate increased from 6.50% to 7.00% of total pay, as scheduled
- 2018: The member contribution rate increased from 6.00% to 6.50% of total pay on September 1, 2018 for employees not covered by the collective bargaining agreement, as scheduled.
- 2016: The member contribution rate increased from 4.88% to 6.00% of total pay, as scheduled.

Changes in actuarial assumptions and methods:

1/1/2025 valuation (assumptions used for measuring 12/31/2025 total pension liability):

- The general wage growth assumption was increased from 3.40% to 3.50%.
- The salary merit scale was adjusted to better reflect actual experience.
- The mortality assumption was modified by moving to the Pub-2016 General Employees Median Mortality Table, projected generationally using Scale MP-2021.

- Assumed retirement rates were adjusted to better reflect actual experience.
- Assumed termination rates were adjusted to better reflect actual experience.
- The marriage assumption was decreased from 90% to 80%.

1/1/2022 valuation (assumptions used for measuring 12/31/2021 total pension liability):

- The investment return assumption was decreased from 6.90% to 6.75%.
- The price inflation assumption was lowered from 2.60% to 2.50%.
- The cost of living adjustment assumption was lowered from 2.60% to 2.50%.
- The general wage growth assumption was lowered from 3.50% to 3.40%.
- The covered payroll increase assumption was lowered from 3.50% to 3.00%.
- The salary merit scale was adjusted to better reflect actual experience.
- The mortality assumption was modified by moving to the Pub-2010 General Employees Median Mortality Table, projected generationally using Scale MP-2020.

- Assumed retirement rates were adjusted to better reflect actual experience.
- Assumed termination rates were adjusted to better reflect actual experience.

Note: Schedule to show 10-year trend.

1/1/2020 valuation (assumptions used for measuring 12/31/19 total pension liability):

The investment return assumption was decreased from 7.00% to 6.90%.

1/1/2018 valuation (assumptions used for measuring 12/31/17 total pension liability):

- The investment return assumption was decreased from 7.25% to 7.00%.
- The price inflation assumption was lowered from 3.10% to 2.60%.
- The cost of living adjustment assumption was lowered from 3.00% to 2.60%.
- The general wage growth assumption was lowered from 4.00% to 3.50%.
- The covered payroll increase assumption was lowered from 4.00% to 3.50%.
- The mortality assumption was modified by moving to the RP-2014 Mortality Table, adjusted to 2006, with a one-year set forward for females and projected generationally using Scale MP-2016.
- Assumed retirement rates were adjusted to better reflect actual experience.
- Assumed termination rates were adjusted to better reflect actual experience.

**METROPOLITAN UTILITIES DISTRICT**

Required Supplementary Information  
 Schedule of Employer Contributions - Defined Benefit Pension Plan  
 January 1, 2016 Through December 31, 2025  
 (\$ in Thousands)

<b>Fiscal Year Ending December 31</b>	<b>Actuarial Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Actual Contribution as a % of Covered Payroll</b>
2016	\$ 10,215	\$ 10,300	\$ (85)	\$ 61,064	16.87%
2017	10,273	11,194	(921)	62,624	17.87%
2018	11,198	11,606	(408)	62,866	18.46%
2019	11,270	12,300	(1,030)	63,272	19.44%
2020	11,036	12,300	(1,264)	66,589	18.47%
2021	9,481	11,600	(2,119)	67,275	17.24%
2022	8,588	10,500	(1,912)	70,610	14.87%
2023	10,204	11,056	(852)	77,757	14.22%
2024	11,437	12,913	(1,476)	83,387	15.49%
2025	12,022	12,900	(878)	88,218	14.62%

**Notes to Schedule**

Valuation date: January 1, 2025  
 Actuarially determined contribution is determined in the valuation performed as of January 1 of the year in which contribution is made.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Range from 10 to 20 years (single equivalent amortization period is 21 years)
Asset valuation method	Expected Value + 25% of (market - expected values)
Inflation	2.50%
Salary increases	3.65% to 11.40%, depending on years of service
Long-term investment rate of return	6.75%
Retirement	Service-based table of rates.
Mortality	Pub-2016 Mortality Tables projected generationally using Scale MP-2021.
Cost of living adjustments	2.50% per year

**METROPOLITAN UTILITIES DISTRICT**

Required Supplementary Information  
Schedule of Annual Money-Weighted Rate of Return on Pension Plan Investments  
Fiscal Years ended December 31

<b>Fiscal Year Ending December 31</b>	<b>Annual Money-Weighted Rate of Return</b>
2016	7.9%
2017	15.2%
2018	-5.2%
2019	21.0%
2020	14.7%
2021	13.7%
2022	-17.1%
2023	16.2%
2024	10.8%
2025	17.0%

**METROPOLITAN UTILITIES DISTRICT**

Water Department

Schedule of Insurance Coverage

December 31, 2025

(Unaudited)

<b>Coverage</b> <b>(including contents)</b>	<b>Description</b>	<b>Name of insurer</b>	<b>Deductible or coinsurance amounts</b>	<b>Expiration date</b>
Buildings	Fire and extended coverage	Associated Electric & Gas Insurance Services (AEGIS) & Starr Technical Risk Agency	\$500,000 deductible	6-15-2026
Data Processing Equipment	Equipment, media and extra expense	Associated Electric & Gas Insurance Services (AEGIS) & Starr Technical Risk Agency	\$500,000 deductible	6-15-2026
Contractors Equipment floater	Construction equipment and communication equipment	CNA Financial Corporation	\$40,000 deductible	6-15-2026
Terrorism	Terrorist acts	Lloyds of London	\$10,000 deductible	6-15-2026
Travel Insurance	All employees and directors while on a bonafide business trip	Reliance Std. Life Ins. Co.	\$200,000 per loss	2-7-2026

**METROPOLITAN UTILITIES DISTRICT**

Water Department

Statutory Information Required by Chapter 14,  
Section 2145 of the Revised Statutes of Nebraska of 1943

Year ended December 31, 2025

(Unaudited)

Operating revenues, net	\$	174,305,939
Thousands of gallons of water supplied to mains		36,358,320
Thousands of gallons of water sold		30,933,029
Maintenance	\$	45,862,135
Gross additions to utility plant in service, exclusive of land	\$	104,814,595
Land purchased	\$	294,054
Depreciation charged to operations and other accounts	\$	20,037,079
Cost per thousand gallons of water sold (schedule A)	\$	4.27
Collected for sale and rent of meters, net	\$	381,615
Assessments against property for extension of mains	\$	95,308
Operating expenses (schedule B)	\$	124,790,872
Average number of employees for the year		429
Compensation of employees for the year	\$	44,997,738
Direct taxes levied against property at request of District for fire protection service (in lieu of hydrant rental)	\$	—
All other facts necessary to give an accurate and comprehensive view of the cost of maintaining and operating the plant		—

**Schedule A**

**METROPOLITAN UTILITIES DISTRICT**

Water Department

Cost per Thousand Gallons of Water Sold

Year ended December 31, 2025

(Unaudited)

Operating expenses:

Operations \$ 58,588,553

Maintenance 45,862,135

Depreciation and amortization 17,992,336

Provision for statutory payments to municipalities 2,347,848

Total operating expenses \$ 124,790,872

Other deductions:

Interest 7,305,972

Total operating expenses and other deductions \$ 132,096,844

Thousands of gallons of water sold 30,933,029

Cost per thousand gallons of water sold \$ 4.27

**Schedule B****METROPOLITAN UTILITIES DISTRICT**

Water Department

Operating Expenses

Year ended December 31, 2025

(Unaudited)

## Operating expenses:

## Operations:

Primary pumping	\$ 11,533,816
Purification	14,799,821
Booster pumping	3,547,205
Distribution	12,803,530
Customer accounting	7,546,734
Marketing	1,570,232
Administrative	<u>6,787,215</u>
Total operating	<u>\$ 58,588,553</u>

## Maintenance:

Primary pumping	4,180,965
Purification	4,811,742
Booster pumping	2,078,061
Distribution	<u>34,791,367</u>
Total maintenance	<u>\$ 45,862,135</u>

Depreciation and amortization

17,992,336

Provision for statutory payments to municipalities

2,347,848

Total operating expenses

\$ 124,790,872

**METROPOLITAN UTILITIES DISTRICT**

Gas Department

Schedule of Insurance Coverage

December 31, 2025

(Unaudited)

<b>Coverage</b> (including contents)	<b>Description</b>	<b>Name of insurer</b>	<b>Deductible or coinsurance amounts</b>	<b>Expiration date</b>
Buildings (including contents)	Fire and extended coverage	Associated Electric & Gas Insurance Services (AEGIS) & Starr Technical Risk Agency	\$500,000 deductible	6-15-2026
Data Processing Equipment	Equipment, media and extra expense	Associated Electric & Gas Insurance Services (AEGIS) & Starr Technical Risk Agency	\$500,000 deductible	6-15-2026
Contractors Equipment floater nonowner liability	Construction equipment and communication equipment	CNA Financial Corporation	\$40,000 deductible	6-15-2026
Travel Insurance	All employees and directors while on a bonafide business trip	Reliance Std. Life Ins. Co.	\$200,000 per loss	2-7-2026
Terrorism	Terrorist acts	Lloyds of London	\$10,000 deductible	6-15-2026
LNG plant	LNG plant and contents	Associated Electric & Gas Insurance Services (AEGIS) & Starr Technical Risk Agency	\$500,000 deductible	6-15-2026
Propane caverns	Two caverns - special cause of loss, including earthquake and flood	Associated Electric & Gas Insurance Services (AEGIS) & Starr Technical Risk Agency	\$500,000 deductible	6-15-2026

**METROPOLITAN UTILITIES DISTRICT**

## Gas Department

Statutory Information Required by Chapter 14,  
Section 2145 of the Revised Statutes of Nebraska of 1943  
Year ended December 31, 2025  
(Unaudited)

Operating revenues, net	\$	236,005,608
Dekatherms of gas delivered to mains		33,211,390
Dekatherms of gas sold		33,211,390
Maintenance	\$	20,580,638
Gross additions to utility plant in service	\$	152,004,562
Land purchased	\$	1,484,820
Depreciation charged to operations and other accounts	\$	27,699,373
Cost per thousand cubic feet of gas sold (schedule A)	\$	6.85
Collected for sale and rent of meters	\$	—
Assessments against property for extension of mains	\$	—
Operating expenses (schedule B)	\$	217,327,162
Average number of employees for the year		500
Compensation of employees for the year	\$	52,367,458
Direct taxes levied against property at request of District	\$	—
All other facts necessary to give an accurate and comprehensive view of the cost of maintaining and operating the plant		—

**Schedule A**

**METROPOLITAN UTILITIES DISTRICT**

Gas Department

Cost per Thousand Cubic Feet of Gas Sold

Year ended December 31, 2025

(Unaudited)

Operating expenses:	
Natural gas	\$ 136,272,232
Operations	35,121,404
Maintenance	20,580,638
Depreciation and amortization	21,257,721
Provision for statutory payments to municipalities	<u>4,095,167</u>
Total operating expenses	<u>\$ 217,327,162</u>
Other deductions:	
Interest	<u>7,762,898</u>
Total operating expenses and other deductions	<u>\$ 225,090,060</u>
Thousands of cubic feet of gas sold	32,857,237
Cost per thousand cubic feet of gas sold	\$ 6.85

## Schedule B

## METROPOLITAN UTILITIES DISTRICT

Gas Department

Operating Expenses

Year ended December 31, 2025

(Unaudited)

Operating expenses:	
Natural gas	\$ 136,272,232
Operations:	
Production	4,884,274
Distribution	15,625,721
Customer accounting and collecting	10,466,096
Marketing	1,818,509
Administrative	<u>2,326,804</u>
Total operations	<u>\$ 35,121,404</u>
Maintenance:	
Production	3,463,638
Distribution	<u>17,117,000</u>
Total maintenance	<u>\$ 20,580,638</u>
Depreciation and amortization	<u>21,257,721</u>
Provision for statutory payments to municipalities	<u>4,095,167</u>
Total operating expenses	<u><u>\$ 217,327,162</u></u>

**METROPOLITAN UTILITIES DISTRICT**

Statistical Highlights

Years ended December 31, 2025, 2024, and 2023

(Unaudited)

<b>Water Department</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Number of customers (December)	231,150	229,270	227,433
Sales (thousand gallons)	30,933,029	32,015,811	32,381,759
Operating revenues, net	\$ 174,305,939	170,908,533	162,559,492
Operating expenses	124,790,872	116,681,892	106,663,577
Operating income	\$ 49,515,067	54,226,641	55,895,915
Plant additions and replacements, net	\$ 91,384,472	114,188,116	86,158,744
Plant in service	\$ 1,573,186,805	1,473,574,728	1,404,660,992
Miles of mains	3,224	3,204	3,180
Average daily pumpage (thousand gallons)	99,912	99,684	98,379
<b>Gas Department</b>			
Number of customers (December)	244,399	242,687	241,080
Sales (DTH):			
Firm	28,903,627	27,126,240	28,726,337
Interruptible	4,307,763	4,503,965	4,199,835
Total	33,211,390	31,630,205	32,926,172
Operating revenues, net	\$ 236,005,608	217,655,978	255,933,175
Cost of gas sold	136,272,232	104,022,598	143,384,526
Other operating expenses	81,054,930	79,298,716	73,543,842
Operating income	\$ 18,678,446	34,334,664	39,004,807
Plant additions and replacements, net	\$ 101,733,808	104,181,289	91,905,485
Plant in service	\$ 942,731,181	798,515,026	755,488,019
Miles of mains	3,020	2,994	2,970
Average daily sendout (DTH)	100,193	94,323	98,121
Number of active employees – water and gas combined	942	913	905





