

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 4, 2025

New Issue

Rating: S&P “A-”

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the District, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), the interest on the Series 2025 Bonds [(including any original issue discount properly allocable to an owner thereof)] (1) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax and (2) is exempt from income taxation by the State of Nebraska. The Series 2025 Bonds have not been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. Bond Counsel notes that interest on the Series 2025 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See “TAX MATTERS” in this Official Statement.

LOUP RIVER PUBLIC POWER DISTRICT
COLUMBUS, NEBRASKA

\$33,955,000*

Electric System Revenue Bonds, Series 2025

Dated: Date of Delivery

Due: December 1, as shown below

The Electric System Revenue Bonds, Series 2025 (the “Series 2025 Bonds”) are being issued pursuant to the Electric System Revenue Bond Resolution, dated as of August 15, 2004, as amended and supplemented from time to time including, without limitation, the Sixth Supplemental Revenue Bond Resolution adopted March 25, 2025 by the Board of Directors (the “Board”) of the Loup River Public Power District (the “District”) and as specifically authorized by Chapter 70, Article 6, Reissue Revised Statutes of Nebraska, as amended (the “Act”). The proceeds of the Series 2025 Bonds will fund constructing, equipping and furnishing various portions of its electric system, including, without limitation, improvements to its generation, transmission and distribution facilities.

The obligation of the District to pay the principal of and interest on the Series 2025 Bonds is payable exclusively from and secured by a first pledge, lien and security interest with respect to the revenues generated from the ownership, operation and management of the District’s Electric System and the 2025 Debt Reserve Account as described herein. The Series 2025 Bonds will be issued on parity with the District’s (a) \$4,500,000 aggregate principal amount outstanding of Electric System Revenue Refunding Bonds, Series 2016, dated March 22, 2016 and (b) \$2,255,000 aggregate principal amount outstanding of Electric System Revenue Refunding Bonds, Series 2020, dated May 26, 2020. The Series 2025 Bonds are not obligations of the State of Nebraska or any of its political subdivisions other than the District, nor shall said State or any political subdivision thereof, other than the District, be obligated for the payment of the Series 2025 Bonds. **The District has no taxing powers.**

The Series 2025 Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC will act as securities depository for the Series 2025 Bonds. Individual purchases may be made in book-entry-form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Series 2025 Bonds purchased. The Treasurer of the District, as Paying Agent and Registrar (the “Registrar”), will pay principal of the Series 2025 Bonds, annually on each December 1, beginning December 1, 2027 and interest on the Series 2025 Bonds, payable initially on December 1, 2025 and thereafter on each June 1 and December 1, to DTC which will in turn remit such principal and interest to its participants for subsequent disbursements to the beneficial owners of the Series 2025 Bonds as described herein. Interest and principal shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the Registrar as of the close of business on the fifteenth day (whether or not a business day) immediately preceding an interest payment date (the “Record Date”).

MATURITY SCHEDULE – SEE INSIDE COVER

Series 2025 Bonds maturing on or before December 1, 2034, will not be subject to redemption prior to their respective stated maturities. At the option of the District, the Series 2025 Bonds maturing on or after December 1, 2035, shall be subject to redemption prior to maturity on or after December 1, 2034, as described more fully under “THE SERIES 2025 BONDS—Optional Redemption.”

An investment on the Series 2025 Bonds involves risk. See “BONDHOLDERS’ RISKS” herein.

The Series 2025 Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of legality of Gilmore & Bell, P.C., Bond Counsel and Disclosure Counsel to the District. It is expected that the Series 2025 Bonds in definitive form will be ready for delivery through the DTC book-entry system on or about May 14, 2025*.

The date of this Official Statement is _____, 2025

*Preliminary subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor may there be any sale of these securities in any jurisdictions in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

MATURITY SCHEDULE*

\$33,955,000
LOUP RIVER PUBLIC POWER DISTRICT
COLUMBUS, NEBRASKA
ELECTRIC SYSTEM REVENUE BONDS
SERIES 2025

<u>Maturity</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP</u> <u>()</u>
2027	\$1,915,000	%	%	%	
2028	2,015,000				
2029	2,115,000				
2030	2,220,000				
2031	2,330,000				
2032	2,445,000				
2033	2,570,000				
2034	2,695,000				
2035	2,830,000				
2036	2,975,000				
2037	3,120,000				
2038	3,280,000				
2039	3,445,000				

[*Yield to first optional call date of December 1, 2034.]

* Preliminary, subject to change.

No dealer, broker, salesman or any other person has been authorized by the District or its agents to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offering nor the solicitation of an offer to sell to any person in any state or other political jurisdiction in which such an offer or solicitation may not lawfully be made, or in any state which said agents are not qualified. This Official Statement is not to be construed as a contract with the purchasers of the Series 2025 Bonds.

Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The information set forth herein has been furnished by the District or other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness. The information and expressions of opinions herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

In connection with this offering, the Underwriter may overallocate or effect transactions which stabilize or maintain market prices of the Series 2025 Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

FORWARD-LOOKING STATEMENTS

This Official Statement contains “forward-looking statements” within the meaning of federal securities laws. These forward-looking statements include statements about the District’s future plans and strategies, and other statements that are not historical in nature. These forward-looking statements are based on the current expectations of management of the District. When used in this Official Statement, the words “plan,” “expect,” “estimate,” “budget,” “intend,” “anticipate,” “should,” “will,” and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve future risks and uncertainties that could cause actual results and experience to differ materially from the anticipated results or other expectations expressed in forward-looking statements. These future risks and uncertainties include those discussed in the “**BONDHOLDERS’ RISKS**” section of this Official Statement. The District undertakes no obligation to update any forward-looking statements contained in this Official Statement to reflect future events or developments.

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LOUP RIVER PUBLIC POWER DISTRICT

Board Members

Jim Donoghue	Chairman
Mike Fleming	First Vice Chairman
Rich Aerni	Second Vice Chairman
Larry Zach	Secretary
Dick Tooley	Treasurer
Robert Cerv	Board Member
Alan Drozd	Board Member
Steve Heesacker	Board Member
Dana Schultz	Board Member

Management

Neal D. Suess, President and Chief Executive Officer
Todd Duren, Vice President of Corporate Services
Dan Hellbusch, Vice President of Operations
Korey Hobza, Vice President of Engineering
Walter Williams, Vice President of Accounting & Finance/CFO

Bond Counsel

Gilmore & Bell, P.C.
Omaha, Nebraska

Municipal Advisor

PFM Financial Advisors LLC
Des Moines, Iowa

OFFICIAL STATEMENT

LOUP RIVER PUBLIC POWER DISTRICT

\$33,955,000*

ELECTRIC SYSTEM REVENUE BONDS, SERIES 2025

INTRODUCTION

This Official Statement (which includes the cover page hereof and the Appendices attached hereto) is furnished by the Loup River Public Power District, Columbus, Nebraska (the “**District**”), under the laws of the State of Nebraska (the “**State**”), to provide information concerning: (i) the District; and (ii) the District’s \$33,955,000* Electric System Revenue Bonds, Series 2025 (the “**Series 2025 Bonds**”).

The Series 2025 Bonds are being issued in accordance with the Electric System Revenue Bond Resolution dated as of August 15, 2004, as amended and supplemented from time to time including, without limitation, the Sixth Supplemental Revenue Bond Resolution adopted March 25, 2025 (collectively the “**Resolution**”) and as specifically authorized by Chapter 70, Article 6, Reissue Revised Statutes of Nebraska, as amended (the “**Act**”).

The Resolution provides for the issuance by the District, from time to time, of Electric System Revenue Bonds (including bonds, notes or other obligations or other evidences of indebtedness, as the case may be, as provided in the Resolution collectively, the “**Bonds**”) (a) to finance properties and assets, and interest in properties and assets, real and personal and tangible and intangible, (i) for the generation, transmission, distribution and sale of electric power and energy or (ii) such other activities and transactions as the District’s Board of Directors (the “**Board**”) shall from time to time determine and (b) to refund outstanding bonds issued under the Resolution. The Resolution also provides for the issuance of other indebtedness and obligations of the District upon certain terms and conditions set forth in the Resolution secured by or having a lien and charge upon, or being payable from, the Net Revenues (as defined in the Resolution) on a parity with the Series 2025 Bonds, but which are not issued under the Resolution (the “**Additional Bonds or Parity Obligations**”). The Series 2025 Bonds will be issued on parity with the District’s (a) \$4,500,000 aggregate principal amount outstanding of Electric System Revenue Refunding Bonds, Series 2016, dated March 22, 2016 and (b) \$2,255,000 aggregate principal amount outstanding of Electric System Revenue Refunding Bonds, Series 2020, dated May 26, 2020 ((a) and (b) collectively, the “**Outstanding Parity Bonds**”). Additional Bonds or Parity Obligations (which, except as provided in the Resolution, will be on parity with the Series 2025 Bonds and the Outstanding Parity Bonds) may be issued from time to time upon approval of the Board under the terms and conditions set forth in the Resolution.

Pursuant to the Resolution, the Series 2025 Bonds together with the Outstanding Parity Bonds and any Additional Bonds, are payable from and secured by a pledge of revenue of the District and certain other moneys as described herein, subject to a prior charge on such revenues for the costs of operation and maintenance of the District, including all administration expenses, variable costs of operation and maintenance incurred for power supply and delivery facilities, variable costs associated with power purchase contracts and other fixed power supply and delivery costs of the District.

* Preliminary, subject to change.

This Official Statement includes summaries of the terms of the Series 2025 Bonds, the Resolution and certain contracts and other arrangements relating to the District. The summaries of and references to all documents, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive and each such summary and reference is qualified in its entirety by references to each such document, report or instrument. Prospective purchasers of the Series 2025 Bonds should read the entire Official Statement and “**APPENDIX C—SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION**”. Copies of the entire Resolution may be obtained from the District.

AUTHORITY AND PURPOSE

The Series 2025 Bonds are being issued in accordance with the Resolution adopted by the Board and as specifically authorized by the Act. Proceeds of the Series 2025 Bonds will be used to fund constructing, equipping and furnishing various portions of its electric system, including, without limitation, improvements to its generation, transmission and distribution facilities.

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Series 2025 Bonds.

<u>Sources of Funds:</u>	
Par Amount of Series 2025 Bonds	\$
Plus/Less: [Net/Aggregate] Original Issue [Premium/Discount]	_____
Total Sources:	\$ <u> </u>
 <u>Uses of Funds:</u>	
Deposit to Project Fund	\$
Deposit to Debt Reserve Fund for Series 2025 Bonds	
Costs of Issuance (including Underwriter’s Discount)	_____
Total Uses:	\$ <u> </u>

THE SERIES 2025 BONDS

General

Interest on the Series 2025 Bonds will be payable on December 1, 2025 and semiannually on June 1 and December 1 thereafter. Interest and principal shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the Registrar as of the close of business on the fifteenth day (whether or not a business day) immediately preceding an interest payment date (the “**Record Date**”). Interest will be computed on the basis of a 360-day year of twelve 30-day months.

Optional Redemption

Series 2025 Bonds maturing on or before December 1, 2034, will not be subject to redemption prior to their respective stated maturities. At the option of the District, Series 2025 Bonds maturing on or after December 1, 2035, shall be subject to redemption prior to maturity on or after December 1, 2034, in whole or in part at any time in such principal amounts and from such maturity or maturities as the District shall determine, upon notice mailed to the owner of each such Bond not less than 30 days prior to the date

fixed for redemption at a redemption price equal 100% of the principal amount of the Series 2025 Bonds to be redeemed, together with the interest accrued thereon to the date fixed for redemption.

SECURITY FOR THE SERIES 2025 BONDS

The following section is a summary of certain security provisions for the Series 2025 Bonds. A more detailed summary of security provisions and detailed definitions of capitalized terms below is contained in “**APPENDIX C—SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION**” of this Official Statement.

Pledge of Revenues

For the prompt payment of the Series 2025 Bonds, principal, premium (if any) and interest as the same become due in accordance with their terms and the terms of the Resolution, the District pledges (i) subject to the prior payment of Operating Expenses, all of the Revenues and (ii) all funds established by the Resolution (excluding any Debt Reserve Account established for another series of Bonds), including the proceeds of any investment or reinvestment, if any, thereof, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution. The pledge made of the Revenues for the payment of the Series 2025 Bonds is intended to be a full exercise of the powers granted by the Act, and to provide for a first pledge, lien and security interest with respect to the Revenues for the benefit of the Series 2025 Bonds and the holders thereof prior in all respects to any other obligation of the District with respect to any other indebtedness, which status as to such pledge may be shared only by the Series 2025 Bonds, the Outstanding Parity Bonds and any Additional Bonds or Parity Obligations hereafter incurred in accordance with the provisions of the Resolution. The Series 2025 Bonds are special, limited obligations of the District payable from and secured by the Revenues and funds pledged therefor. The Series 2025 Bonds are NOT obligations of the State or any of its political subdivisions other than the District, nor shall the State or any other political subdivision thereof be obligated for the payment of the Series 2025 Bonds. The District has no taxing powers. The Series 2025 Bonds shall not be secured by any mortgage or other lien on any part of the tangible properties and assets comprising the Electric System and the District agrees in the Resolution that it will not mortgage, pledge or grant security interest in any of the tangible properties and assets comprising the Electric System, subject only to the provisions of the Resolution.

Debt Reserve Fund

The District covenants to establish and maintain a Debt Reserve Fund in which there shall be established an account for the Series 2025 Bonds issued pursuant to the Resolution and in which there shall be deposited an amount equal to the Debt Reserve Requirement (hereinafter defined) with respect to the Series 2025 Bonds. The term “Debt Reserve Requirement” shall be determined by the District with respect to the Series 2025 Bonds but may not exceed the least of (1) 10% of the stated principal amount of the Series 2025 Bonds, (2) the maximum annual debt service for the Series 2025 Bonds during any Fiscal Year, or (3) 125% of the average annual debt service for the Series 2025 Bonds over the term thereof. If the aggregate initial offering price of the Series 2025 Bonds to the public is less than 98% or more than 102% of par, such offering price shall be used in clause (1) in lieu of the stated principal amount. The Debt Reserve Requirement with respect to the issuance of the Series 2025 Bonds is \$3,395,500*.

* Preliminary, subject to change.

Establishment of 2025 Debt Reserve Account

If on any Debt Service Payment Date the amount in the Debt Service Fund with respect to the Series 2025 Bonds shall be less than the amount required by the Resolution, the Registrar shall make up such deficiency from amounts in the 2025 Debt Reserve Account to the extent necessary. None of the Series 2025 Bonds shall be payable from any other account in the Debt Reserve Fund established by the Resolution.

Whenever the moneys on deposit in the 2025 Debt Reserve Account shall exceed the Debt Reserve Requirement, such excess shall be allocated and applied in the same manner as Revenues pursuant to the Resolution.

Amounts held to the credit of the 2025 Debt Reserve Account shall not be used to pay the principal or redemption price of or interest on the Series 2025 Bonds of any other Series, provision having been made to secure such Bonds of other Series by other accounts within the Debt Reserve Fund established by other Supplemental Resolutions.

Whenever the aggregate of amounts in the Debt Service Fund and the Debt Reserve Fund is sufficient to fully pay all Outstanding Bonds in accordance with their terms (including principal or applicable sinking fund Redemption Price and interest thereon), the funds on deposit in the 2025 Debt Reserve Account shall be transferred to the Debt Service Fund.

Rates and Fees

So long as any Bonds (including the Series 2025 Bonds) are outstanding, the District, subject to applicable laws, rules and orders of regulatory bodies, shall establish, maintain, revise and collect charges and rates at least sufficient to provide for all costs associated with the ownership, operation, maintenance, renewal and replacement of the Electric System, the payment of the principal of and interest on all indebtedness (including all Bonds and Parity Obligations) incurred with respect to the Electric System and to provide adequate reserves therefor (including the 2025 Debt Reserve Account of the Debt Reserve Fund), to maintain such coverage for the payment of such indebtedness as the District from time to time may deem advisable, to maintain such other reserves as may be provided in the Resolution and to carry out all provisions of the Resolution. Without limiting the generality of the foregoing, the charges and rates shall be so as to produce:

- (a) Revenues at least sufficient to pay all Operating Expenses of the Electric System;
- (b) Revenues sufficient (i) to make the payments into the Debt Service Fund required by the Resolution; (ii) to pay the principal of, premium, if any, and the interest on all other obligations incurred in accordance with the Resolution which are payable from and secured by the Revenues; and (iii) to make all payments which the District is obligated to set aside and to pay into each account in the Debt Reserve Fund and to pay any amount owing for rebate to the United States with respect to any Bonds which have been issued on the basis of interest which is not includable in gross income under the Code;
- (c) Revenues sufficient to pay or discharge when due all other charges or obligations against the Revenues or otherwise owing by the District then imposed by law or by contract; and
- (d) Revenues less Operating Expenses (“**Net Revenues**”) equal in any Fiscal Year to not less than the Aggregate Debt Service falling due during such Fiscal Year.

The District will enforce the payment of any and all accounts owing to it by reason of the ownership and operation of the Electric System by discontinuing such use, output, capacity, or service, or by taking such action as the District shall determine in accordance with usual and customary business practice.

If the Net Revenues in any Fiscal Year are less than the aggregate amount specified above, the District shall within sixty (60) days from the date of receipt of the annual audit for such Fiscal Year either (a) cause such rates and charges to be revised and adjusted to comply with this section or (b) obtain a written report from an Independent Consultant after a review and study of the operations of the Electric System has been made concluding that, in their opinion, the rates and charges then in effect for the current Fiscal Year are sufficient or adjustments and revisions need to be made to such rates and charges to comply with this section and such adjustments and revisions to electric rates and charges are promptly implemented and enacted in accordance with such Independent Consultant's report.

Additional Bonds and Parity Obligations

The District covenants and agrees in the Resolution that so long as any Bonds remain outstanding, the District will not issue any Additional Bonds or Parity Obligations payable out of the Revenues or any part thereof which are superior in lien, security or otherwise, to the Bonds (including the Series 2025 Bonds and the Outstanding Parity Bonds). The District further covenants and agrees that so long as any Bonds remain outstanding, the District will not issue any Additional Bonds or Parity Obligations payable out of the Revenues which stand on a parity or equality with the Outstanding Bonds except as set forth in the Resolution.

Additional Bonds or Parity Obligations of the District issued under the conditions set forth in the Resolution shall stand on parity with the Series 2025 Bonds and the Outstanding Bonds and shall enjoy complete equality of lien on and claim against the Revenues with the Series 2025 Bonds and the Outstanding Bonds. Such Additional Bonds or Parity Obligations shall be issued for any corporate purpose of the District permitted by the Act, including, but not limited to, the refunding of any previously issued revenue bonds or other obligations, provided that all of the conditions of the Resolution are satisfied. Additional Bonds shall be issued pursuant to a supplemental resolution adopted in accordance with the provisions of the Resolution. Any such supplemental resolution authorizing the issuance of Additional Bonds or instrument authorizing the issuance of any Parity Obligations shall provide (a) that the payment date for any maturing principal amounts shall fall on December 1, and (b) for the creation of an account, appropriately designated in the Debt Reserve Fund for such Additional Bonds or Parity Obligations funded from the proceeds thereof or from funds on hand set aside by the District in an amount equal to the Debt Reserve Requirement with respect to such Additional Bonds or Parity Obligations.

At any time and from time to time, one or more series of Additional Bonds or Parity Obligations may be issued under the Resolution for any corporate purpose of the District, including the refunding or purchasing of Bonds, upon compliance with the provisions and conditions of the Resolution, and the following conditions and limitations:

- (a) The District is not in default under any provisions of the Resolution,
- (b) The Net Revenues of the Electric System for the most recently completed Fiscal Year prior to the authorization of the Additional Bonds or Parity Obligations were not less than 1.10 times the average annual Debt Service for all Bonds and Parity Obligations to be Outstanding upon the issuance of the proposed Additional Bonds or additional Parity Obligations; and

(c) The issuance of such Additional Bonds or Parity Obligations will not cause the District to be in default under the terms of the Resolution.

The District may also issue Additional Bonds or Parity Obligations to refund any Bonds without complying with the provisions of (a) through (c) above, provided that the Aggregate Debt Service for the Bonds and the Parity Obligations to be Outstanding after the issuance of such refunding Bonds in any calendar year in which any Bonds or Parity Obligations not to be refunded or purchased are to be Outstanding shall not be greater than the Aggregate Debt Service if the Bonds to be refunded were not so refunded.

BONDHOLDERS' RISKS

Prospective investors should carefully consider the risk factors set forth below and the other information included in this Official Statement. The risks described below are not the only risks that the District faces. Additional risks and uncertainties not currently known to the District or that it currently believes are immaterial may also impair its operations. Any of these risks may have a material adverse effect on the District's financial condition. In such a case, bondholders may lose all or part of their investment in the Series 2025 Bonds. Among the factors affecting an investment in the Series 2025 Bonds, the following items should be considered by prospective investors:

Limited Obligations

The Series 2025 Bonds are payable solely from the Revenues of the District's Electric System. The District has no taxing powers, and no property of the District, other than the net Revenues of the District's Electric System and other funds pledged under the Resolution, has been pledged for the payment of the Series 2025 Bonds.

Limitation of Rights Upon Insolvency

The State of Nebraska has authorized its political subdivisions to seek relief under the United States Bankruptcy Code by statute. The United States Bankruptcy Code enables debtors which are insolvent to obtain relief through petition and plan which may result in the modification or delay of payments to creditors, including bondholders. In the event of any insolvency upon the part of the District, the holders of the Series 2025 Bonds would be limited to payment from the pledged revenues of the Electric System. Procedures under the Bankruptcy Code or other insolvency laws could result in delays in or impairment of payment even if Revenues of the Electric System remained sufficient to make payments of principal and interest as the same fall due.

Insurance

Insurance is unavailable for coverage for repair and replacement of certain portions of the properties of the District such as power lines, poles and other equipment damaged by severe weather. Accordingly, repair to any significant damage to such properties of the District due to severe weather would be the responsibility of the District. The cost of such repairs could be material to the District's financial position and results of operations.

Cybersecurity Risks

Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches can create disruptions or shutdowns of the District and its service, or the unauthorized access to

or disclosure of personally identifiable information and other confidential or sensitive information. If personal or otherwise protected information is improperly accessed, tampered with or distributed, the District may incur significant costs to remediate possible injury to the affected persons beyond its current insurance policy. While the District maintains and updates a robust information security program, no assurance can be given that such efforts will prevent a security breach. Any failure to maintain proper functionality and security of the District's information systems could interrupt the District's operations, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations and financial condition. Further, at least one rating agency factors the risk of such an attack into its ratings analysis, recognizing that a cyberattack could affect liquidity, public policy and constituent confidence, and ultimately credit quality.

Natural Disasters or Terrorist Attacks

The occurrence of a terrorist attack in the District or natural disasters, such as fires, tornados, earthquakes, floods or droughts, could damage the District's facilities, affect electric system supply, interrupt services or otherwise impair operations and the ability of the District's electric system to produce revenues.

Continuing Inflation

The District's service area, like the rest of the country, has recently experienced significant increases in costs of electricity, energy, and food, in addition to associated wage and salary pressures. Due to the varying contributors to the current inflationary environment, it is not possible to state with certainty the period of time over which the recent price increases will continue. The District's rate structure includes a "pass through" of certain costs to customers, including electricity costs, whereas other inflationary costs impacting operations (e.g. wages and salaries, operating supplies, etc.) are recovered via rate actions approved by the District's Board. While management and the Board are sensitive to billing increases to customers, the District's risk associated with inflationary pressures is mitigated by the Board's unlimited rate setting authority. The inability of the District to increase fees and charges to keep pace with inflation could adversely affect the financial condition and results of operations of the electric system. The District also relies on highly skilled employees in many areas and if it does not offer or keep pace with prevailing market wages and salaries, it may have difficulty recruiting talent and face significant pressures in operating the System effectively. The District cannot predict the extent of inflationary pressures on its wages and salaries or other operating costs, including energy costs.

Recent Developments Relating to Water

The State of Nebraska and its local natural resource districts have imposed monitoring requirements and, including, pumping allocations and acreage restrictions on irrigators. Additional limitations or prohibitions on ground water use are likely. The extent of such prohibitions or limitations (and any corresponding change in the Revenues) cannot be predicted, but could have a material adverse effect on the operations of the District.

Environmental Regulation – NPPD

As discussed in Appendix A, NPPD is the District's largest provider of power. NPPD is subject to significant environmental regulatory oversight for its generating facilities, including its coal-fired generating plants and related emissions regulation and monitoring. Such existing laws and regulations, and any future laws and regulations, could require NPPD to expend significant amounts on compliance, or materially impair NPPD's generating ability, each of which could materially increase the District's cost of purchase power. In turn, this could impact the District's ability to retain certain customers due to

necessarily increased rates. See **“CERTAIN FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY—Environmental.”**

Proposed Legislation – Rate-Setting Ability

Legislation has been introduced in the State to require electric utilities, such as the District, to submit to a state commission for approval for electric utility rate increases. While it is not expected that such legislation will be enacted in the current session, it is possible that in the future, the State Legislature could enact such legislation. If such or similar legislation became law, the District’s covenant to set rates and fees to meet certain financial targets and its independent rate-setting ability would be subject to review by a third party. No assurance could be made that such commission would approve any rate increases proposed by the District, which could cause the District to fail to meet its financial covenants or limit the District’s ability to implement its capital plan. See **“SECURITY FOR THE SERIES 2025 Bonds—Rates and Fees.”**

Contractual Power Supply and Lease Arrangements

The District’s power supply contract with NPPD expires in 2035, and rates are reviewed and may be revised on a regular basis. See **“APPENDIX A—POWER SUPPLY.”** The District is currently in negotiations with NPPD to revise and extend the existing power supply contract through 2065. The negotiation of future contracts or adjustments with NPPD will depend upon future economic and legal circumstances which cannot be predicted with certainty. The District may not be able to negotiate a new contract with NPPD on favorable terms and may need to seek to obtain its power supply elsewhere. Likewise, the District’s Distribution System Lease and Franchise Agreements (the **“Agreements”**) with its municipal customers must be negotiated periodically. See **“APPENDIX A—SERVICE TERRITORY.”** There can be no assurance that the Agreements will be renewed as intended or on favorable terms, or that the municipalities will not seek to obtain services currently provided by the District elsewhere.

Other Changes in Law

Federal and State laws relating to the electric utility industry in general and public power specifically may be modified, and such modifications may have a material adverse effect on the financial condition and operations of the District. See **“CERTAIN FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY.”**

CERTAIN FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY

General

The electric utility industry has been, and in the future may be, affected by a number of factors which could impact the financial condition and competitiveness of electric utilities, such as the District. Such factors include, among others, (i) supply chain disruption issues for certain materials and equipment, (ii) labor shortage issues, (iii) effects of compliance with changing environmental, safety, licensing, regulatory, and legislative requirements, (iv) changes resulting from energy efficiency and demand-side management programs on the timing and use of electric energy, (v) other federal and State legislative and regulatory changes, (vi) increased wholesale competition from independent power producers, marketers and brokers, and potential aggregation of certain energy products at the retail distribution level for sale into wholesale markets, (vii) “self-generation” by certain industrial and commercial customers, (viii) issues relating to the ability to issue tax-exempt obligations, (ix) severe restrictions on the ability to sell to

nongovernmental entities electricity from generation projects financed with outstanding tax-exempt obligations, (x) changes from projected future load requirements, (xi) increases in costs, (xii) shifts in the availability and relative costs of different fuels, (xiii) inadequate risk management procedures and practices with respect to, among other things, the purchase and sale of energy, fuel, and transmission capacity, (xiv) effects of financial instability of various participants in the power market, (xv) climate change and potential contributions made to climate change by coal-fired and other fossil-fueled generating units, (xvi) challenges associated with additional renewable generation, including distributed generation, (xvii) electrification of the transportation sectors, (xviii) issues relating to cyber and physical security, (xix) increasing costs and challenges building electric transmission facilities, and (xx) growing expectations among some large customers for renewable/clean energy supply options. Any of these general factors and the factors discussed below (as well as other factors) could have an effect on the financial condition of the District.

The District and other electric utilities are subject to various federal and state laws requiring compliance with environmental rules and regulations. In addition, the District is subject to various federal and state laws which affect the construction and operation of its facilities. Any such laws, rules or regulations whether now existing or adopted or mandated in the future, could have an adverse effect on the financial condition of the District.

The following sections provide a brief discussion of certain of these factors. However, this discussion does not purport to be comprehensive or definitive, and these matters are subject to change after the date of this Official Statement.

Energy Policy Act of 2005

The Bush Administration issued the Report of the National Energy Policy Development Group setting forth a national energy policy which emphasized increased electric energy production with natural gas fueled power plants and called for enhanced infrastructure for the delivery of gas supply and the removal of certain constraints on the interstate electric transmission grid. Pursuant to this policy, the Energy Policy Act was signed into law on August 8, 2005.

Provisions in the Energy Policy Act include: (i) repeal of the Public Utility Holding Company Act; (ii) the grant to FERC of the authority to site transmission facilities if states are unwilling or unable to approve siting; (iii) mandatory electricity reliability standards; (iv) revisions to the Public Utility Regulatory Policies Act; (v) a broad market manipulation ban; (vi) development of reliability standards for operation of the transmission grid by an “electric reliability organization” and (vii) protections for native load customers for utilities in certain areas of the country. The legislation also contains provisions that would give FERC limited jurisdiction over interstate transmission assets of municipal utilities, cooperatives and federal utilities.

Energy Independence and Security Act of 2007

On December 19, 2007, President Bush signed the Energy Independence and Security Act of 2007 (the “**Energy Independence and Security Act**”). The intent of this legislation was to expand the production of renewable fuels, reduce dependence on oil, and to confront global climate change.

Included in the Energy Independence and Security Act are provisions for the research and development of carbon capture and storage programs. In general, carbon capture and storage (CCS) is an approach to mitigate global warming by capturing carbon dioxide (CO₂) from large point sources such as fossil fuel power plants and storing it instead of releasing it into the atmosphere. Capturing and compressing CO₂ requires much energy and would increase the fuel needs of a plant with CCS by anywhere from 11-40%.

These and other system costs are estimated to increase the cost of energy from a new power plant with CCS by 21-91%. These estimates apply to purpose-built plants near a storage location. Applying the technology to preexisting plants or plants far from a storage location will be even more expensive.

The Energy Independence and Security Act directs the Department of Energy to conduct large-scale demonstration projects for capturing and storing carbon using various types of coal, including the potential for geologic storage of carbon dioxide. The District cannot predict what if any part of this Act or legislation enacted pursuant to this policy will be implemented, the manner in which any such implementation will occur, or whether such implementation (or lack thereof) could have an adverse effect on the District.

Cap and Trade and/or Emission Controls

Prior administrations have also from time to time proposed the implementation of a carbon emissions credit trading system (often referred to as “**Cap and Trade**”), as well as other restrictions, caps, taxes, or other controls on emissions of greenhouse gasses (“**Emission Controls**”). The United States House of Representatives has considered legislation relating to Cap and Trade and Emission Controls; however, no final legislation has been signed into law. Any form of legislation implementing Cap and Trade and/or Emission Controls is expected by many experts to substantially increase the costs of generating power through the use of fossil fuels such as coal and natural gas. Because a large portion of the power purchased by the District for resale to its customers is generated by coal-fired and/or natural gas-fired power generating stations, such legislation, if implemented, is expected to substantially increase the District's cost of purchased power and, in turn, substantially increase the rates and charges that the District will be required to charge its customers. An increase in customer rates and charges could result in decreased demand, either through reduced power usage or the use of power from alternative sources. It cannot be predicted whether any form of legislation implementing Cap and Trade and/or Emission Controls will become law, and if so, what its ultimate form and impact will be. Such legislation in any form, however, has the potential to have a material adverse effect on the financial condition and/or operations of the District.

Cross-State Air Pollution Rule

In July 2011, the EPA announced the Cross-State Air Pollution Rule (the “**Rule**”), with an effective date of January 1, 2012, which replaces 2005's Clean Air Interstate Rule. On December 30, 2011, a three-judge panel of the U.S. Appeals Court in Washington, D.C. granted the request of certain electric power producers and other challengers to delay the deadline imposed by the Rule. If and when implemented, the Rule would require 28 states, including Nebraska, to reduce power plant emissions of sulfur dioxide and nitrogen oxide. The EPA said that one purpose of the rule is to require power plants to make new investments in proven, readily-available pollution control measures in order to reduce emissions that affect air quality in downwind states. If the court decides to allow the Rule to take effect, the District may incur significant costs associated with the Rule, which may take the form of increased costs of purchased power. The court has not yet heard the case on its merits and it is uncertain as to an expected date of decision. While the District cannot predict with certainty what effects, if any, the new rule may have on its operations, achieving compliance under the new rule may have a material adverse effect on the District's financial condition and results of operations.

Proposed Federal Legislation

Many bills have been introduced into the United States House of Representatives and the United States Senate to deregulate the electric utility industry on the federal or state level. Some of the bills provide for open competition in the furnishing of electricity to all retail customers (i.e., retail wheeling). In addition,

various bills have been introduced which would impact the issuance of tax-exempt bonds for transmission and generation facilities. No prediction can be made as to whether these bills, or other Federal energy legislation currently in Congress, or any future proposed Federal bills will become law or, if they become law, what their final form or effect would be.

Competitive Environment in Nebraska

Competition may increase in the electric utility business generally and in the wholesale electric utility business in particular. Any such increase in competition could be due to, among other factors, deregulation initiated by the Energy Policy Act and the FERC orders to promote competition in the wholesale power area; surplus generating capacity in the Southwest Power Pool region, and growth of power marketers, power brokers, and independent power producers.

While competition is expected to increase in the future, there exists today in Nebraska a statutory prohibition which precludes competition for customers served at retail without prior approval of the Power Review Board. Pursuant to state statutes, retail suppliers of electricity have exclusive rights to serve customers at retail in their respective service territories. Any transfer of retail customers or service territories between retail electric suppliers may be done only upon agreement of the respective retail electric suppliers and/or pursuant to an order of the Power Review Board.

Environmental

Electric utilities are subject to continuing environmental regulation. Federal, state and local standards and procedures which regulate the environmental impact of electric utilities are subject to change. These changes may arise from continuing legislative, regulatory, and judicial action regarding such standards and procedures. Consequently, there is no assurance that the District's facilities will remain subject to the regulations currently in effect, will always be in compliance with future regulations, or will always be able to obtain all required operating permits. An inability to comply with environmental standards could result in additional capital expenditures to comply, reduced operating levels or the complete shutdown of individual units not in compliance.

Nebraska Power Review Board

The Nebraska Power Review Board was created in 1963 and consists of five members appointed by the Governor subject to approval by the Legislature. The statutes creating the Nebraska Power Review Board declare that in order to provide the citizens of Nebraska with adequate electric service at as low an overall cost as possible it is the policy of the State to avoid and eliminate conflict and competition between retail suppliers of electricity, to avoid and eliminate duplication of facilities and resources, and to facilitate the settlement of rate disputes. Pursuant to these statutes, suppliers of electricity in adjoining areas, including the District, have entered into agreements with each other specifying the areas or customers which they may serve at retail. Modifications of, and disputes between suppliers involving these agreements and service areas are subject to Nebraska Power Review Board jurisdiction and disposition. The statutes provide that in the event of any dispute between suppliers concerning rates for service, the Nebraska Power Review Board is given jurisdiction to hold hearings and to make recommendations which shall be advisory only.

Under the Act, it is declared State policy that District transmission and interconnection facilities at 34.5 kV and higher will be provided and made available to Nebraska power agencies. Any disputes regarding such access and use of facilities and interconnections, and the contracts for such wheeling services, are subject to Nebraska Power Review Board jurisdiction and disposition, except for the setting of rates and charges for such services, which authority remains with the District.

The Nebraska Power Review Board has the jurisdiction to order the transfer of customers, distribution facilities, and retail service area from one power supplier to another power supplier, provided that no transfer of such customers and facilities may be made by the Nebraska Power Review Board if the transfer would impair the obligations of the power supplier to holders of its bonds.

The Nebraska Power Review Board must approve the construction of any electric generation facilities or any transmission lines or related facilities carrying more than 700 volts. Such approval is not required in certain cases including the construction of certain generation facilities of not more than 25 MW being constructed to replace a plant owned by a municipality, or transmission line extensions or related facilities within the supplier's own service area or for construction of a line not exceeding one-half mile outside its own service area when all owners of electric lines located within one-half mile of the extension consent thereto.

TAX MATTERS

The following is a summary of the material federal and State of Nebraska income tax consequences of holding and disposing of the Series 2025 Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2025 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Nebraska, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2025 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2025 Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the District, under the law existing as of the issue date of the Series 2025 Bonds:

Federal and State of Nebraska Tax Exemption. The interest on the Series 2025 Bonds [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Nebraska.

Alternative Minimum Tax. The interest on the Series 2025 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The Series 2025 Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Bond Counsel's opinions are provided as of the date of the original issue of the Series 2025 Bonds, subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2025 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion

of interest on the Series 2025 Bonds in gross income for federal and State of Nebraska income tax purposes retroactive to the date of issuance of the Series 2025 Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2025 Bonds, but has reviewed the discussion under the heading “**TAX MATTERS.**”

Other Tax Consequences

[Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Series 2025 Bond over its issue price. The stated redemption price at maturity of a Series 2025 Bond is the sum of all payments on the Series 2025 Bond other than “qualified stated interest” (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2025 Bond is generally the first price at which a substantial amount of the Series 2025 Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Series 2025 Bond during any accrual period generally equals (1) the issue price of that Series 2025 Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2025 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Series 2025 Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that Series 2025 Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

[Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Series 2025 Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Series 2025 Bond is the sum of all payments on the Series 2025 Bond other than “qualified stated interest” (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2025 Bond is generally the first price at which a substantial amount of the Series 2025 Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Series 2025 Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Series 2025 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2025 Bond prior to its maturity. Even though the owner’s basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.]

Sale, Exchange or Retirement of Series 2025 Bonds. Upon the sale, exchange or retirement (including redemption) of a Series 2025 Bond, an owner of the Series 2025 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property actually or constructively received on the sale, exchange or retirement of the Series 2025 Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Series 2025 Bond. To the extent a Series 2025 Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2025 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Series 2025 Bonds, and to the proceeds paid on the sale of the Series 2025 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification

number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Series 2025 Bonds should be aware that ownership of the Series 2025 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2025 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2025 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2025 Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that interest on the Series 2025 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

LITIGATION

There is no litigation pending against the District or, to the knowledge of its officers, threatened, which questions or affects the validity of the Series 2025 Bonds or any proceeding or transactions relating to the issuance, sale and delivery thereof.

MUNICIPAL ADVISOR

The District has retained PFM Financial Advisors LLC, Des Moines, Iowa as municipal advisor (the "**Municipal Advisor**") in connection with the issuance of the Series 2025 Bonds. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

RATING

S&P Global Ratings ("**S&P**") has given the rating of "A-" to the Series 2025 Bonds. The rating reflects only the views of such organization, and explanations of the significance of such rating may be obtained from S&P, 55 Water Street, New York, NY 10041-0003. There can be no assurance that such rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by such rating agency if in its judgment circumstances so warrant. Any such downward revision or withdrawal of such ratings may have a material adverse effect on the market price of the Series 2025 Bonds.

CONTINUING DISCLOSURE

Continuing Disclosure Undertaking

The District is executing and delivering a Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Series 2025 Bonds and in order to assist the Underwriter in complying with its obligations under Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “**Rule**”). The District is the only “obligated person” with responsibility for continuing disclosure under the Rule.

The form of Continuing Disclosure Undertaking for the Series 2025 Bonds is included in this Official Statement as **APPENDIX D**.

Compliance with Prior Undertakings

The District believes that it has complied in all material respects during the past five years with its prior undertakings under the Rule.

Electronic Municipal Market Access (“EMMA”)

All Annual Reports and notices of Material Events required to be filed by the District pursuant to the Continuing Disclosure Undertaking must be submitted to the MSRB through the MSRB’s Electronic Municipal Market Access system (“**EMMA**”). EMMA is an internet-based, online portal for free investor access to municipal bond information, including offering documents, material event notices, real-time municipal securities trade prices and MSRB education resources, available at www.emma.msrb.org. Nothing contained on EMMA relating to the District or the Series 2025 Bonds is incorporated by reference in this Official Statement.

AUDITED FINANCIAL STATEMENTS

The District’s Audited Financial Statements for the years ended December 31, 2024 and 2023, as prepared by a certified public accountant, are reproduced in “**APPENDIX B—AUDITED FINANCIAL STATEMENTS**”. Such certified public accountant has not been asked to consent to the inclusion of such audited financial statements in this Official Statement.

MISCELLANEOUS

The District has authorized the distribution of this Official Statement for use in connection with the initial sale of the Series 2025 Bonds.

LOUP RIVER PUBLIC POWER DISTRICT

APPENDIX A

THE DISTRICT

The Loup River Public Power District (the “District”) is a full-service, public power electric utility located in eastern-central Nebraska. The District started generating electricity on March 5, 1937 upon the completion of the Loup Canal System. The District was the first public power utility in Nebraska and was concerned primarily with generating electric power. However, over time, the District gradually moved into the wholesale side of selling electric power across the entire State of Nebraska. In 1967, it opted for its present service territory which includes a four-county area and a portion of one other county with twenty-two Nebraska cities and villages with a total current population of approximately 62,300 people. Total service area covers 2,248 square miles and consists of 874 miles of transmission and distribution lines. In addition, the District wheels electric power to one wholesale customer and a rural power district.

MISSION

The District’s mission includes 1) providing reliable electric services at rates that are fair, reasonable and non-discriminatory and to bring to their customers the rewards of an efficient and prudent business operation, 2) to improve and promote the economic and industrial development of the area and 3) to maximize the use of water from the Loup River to generate power.

THE BOARD

The District is a political subdivision of the State of Nebraska and is governed by a nine member publicly elected Board of Directors (the “Board”) serving staggered terms of not more than six years each. The Board meets monthly at the District’s general office building in Columbus, Nebraska. All corporate powers of the District are vested in and exercised by the Board. The Board is assisted by a professional management team which conducts the day-to-day operations of the District.

The 2025 membership of the Board of Directors is as follows:

<u>Director and Residence</u>	<u>Occupation</u>	<u>Year Initially Elected or Appointed to Board</u>	<u>Term of Office Expires</u>
James M. Donoghue, Chairman Columbus, Nebraska	Farmer	2012	01/04/2029
Michael O. Fleming, First Vice Chairman Columbus, Nebraska	Business Owner	2012	01/09/2031
Richard A. Aerni, Second Vice Chairman Columbus, Nebraska	Retired	2014	01/06/2027
Lawrence J. Zach, Secretary Columbus, Nebraska	Retired	2014	01/04/2029
Richard C. Tooley, Treasurer Columbus, Nebraska	Pharmacist	1982	01/06/2027
Robert J. Cerv, Board Member Clarkson, Nebraska	Retired	2005	01/09/2031
Alan Drozd, Board Member Genoa, Nebraska	Retired	2017	01/04/2029
Steve Heesacker, Board Member Humphrey, Nebraska	Realtor	2019	01/09/2031
Dana Schultz, Board Member Schuyler, Nebraska	Retired	2025	01/06/2027

MANAGEMENT

The responsibility for the actual day-to-day operation of the District is vested in Mr. Neal D. Suess, President and Chief Executive Officer (CEO). Mr. Suess has served as President and CEO of the District since January 2006 and began his employment with the District in September 2005. Mr. Suess graduated in 1984 from Iowa State University with a Bachelor's Degree in Mechanical Engineering and is a Registered Professional Engineer in Nebraska. Prior to joining the District, he was associated with R. W. Beck, Inc. as an Engineer and Client Services Director from 1984-1992 and 1996-2005. Mr. Suess was also associated with the Oklahoma Municipal Power Authority as the Planning Engineer and Director of Operations from 1992-1994 and with the City of Pella, Iowa as the Electric Director from 1994-1996. Mr. Suess is presently serving as Permanent Co-Chair of the Columbus Economic Council/Industrial Recruitment; Board Member of the Columbus Development Corporation and Board Member of the Nebraska Power Association. Mr. Suess has announced his retirement effective December 31, 2025. Assisting Mr. Suess in the operation of the District are the following:

Todd Duren, Vice President of Corporate Services. Mr. Duren graduated from the University of Nebraska, Lincoln, NE in 1990 with a Bachelor of Science Degree in Civil Engineering. Following graduation, Mr. Duren was employed as a Civil/Structural Design Engineer with the Nebraska Public Power District, Columbus, NE from 1990-1995. He assisted in plant systems improvement and installation projects for the Cooper Nuclear Station. From 1995-2018, Mr. Duren was employed at Columbus Hydraulics Company, Columbus NE, a manufacturer of custom-built, welded hydraulic cylinders. At Columbus Hydraulics, Mr. Duren, worked as a Sales Engineer, Sales Manager, Vice President of Sales and Plant Operations, CEO/President and finally as President. In 2018, Mr. Duren returned to the Nebraska Public Power District as Sustainable Strategies Consultant, working on value-added energy service for end-use customers. In 2019, Mr. Duren began current role at Loup Power District.

Dan D. Hellbusch, Vice President of Operations. Mr. Hellbusch graduated from Northeast Community College in 1984 with an Associate's Degree in Utility Line. Following graduation, Mr. Hellbusch was employed as a Lineman in 1984 at Island Electric Company, Grand Island, NE. He assisted in line construction during his time there. Mr. Hellbusch worked at Howard-Greeley Rural Public Power District, St. Paul, NE from 1984-1986 as a Lineman. In 1986, Mr. Hellbusch began his employment with the District as a Lineman for three years, a Local Superintendent for almost five years and a Division Superintendent for twenty years before moving into his current position in 2014.

Korey Hobza, Vice President of Engineering. Mr. Hobza graduated from the University of Nebraska, Lincoln, NE in 2000 with a Bachelor of Science in Industrial Engineering. After graduation, Mr. Hobza was employed by Ingersoll-Rand Corporation from 2000-2007 in various locations in the United States and Europe. At Ingersoll-Rand, Mr. Hobza worked on design, installation and maintenance of various product lines. From 2007-2020, Mr. Hobza was the Facilities Manager/Support Engineering Leader at Becton-Dickenson Pharmaceutical Systems in Columbus, NE, where he was responsible day-to-day operations and strategic planning. In 2020, Mr. Hobza took his current position with Loup Power District, and in January 2025, he was appointed as the successor to Mr. Suess beginning in 2026.

Walter H. Williams, Vice President of Accounting and Finance/CFO. Mr. Williams graduated from Peru State College in 1987 with a Bachelor's Degree in Accounting and Business Administration-Management. Following graduation, Mr. Williams was employed as a Certified Public Accountant at Scow, Kuhlman, Rief and Kruse, CPA's in Columbus, NE from 1987-1991. He worked in preparations of financial statements, tax returns, independent audits and other accounting services. Mr. Williams worked at Nebraska Public Power District in Columbus, NE from 1991-2000 as a Business Analyst, Subject Matter Expert, Lead Accountant System-CIS, Technical Accountant and Plant Accountant. Mr.

Williams was also an Accounting Instructor at Concordia University and prepared taxes at Pekny, Mahrohn and Associates, CPA's in Columbus, NE during this time. In 2000, Mr. Williams began his employment with the District as the Chief Accountant for 11 years, transferring to the Supervisor of Purchasing and Insurance for four years and then moving into his current position in 2015.

EMPLOYEE RELATIONS AND PENSION PROGRAMS

The District offers a retirement program to their employees consisting of the Loup River Public Power District Basic Thrift Savings Plan (the "Savings Plan"). The District contributes as a single employer to the Savings Plan. Substantially all full-time employees having completed one year of service and attained age 21 are eligible. Employee contributions to the Savings Plan qualify for Internal Revenue Code section 401(k) treatment. Employees in the Savings Plan may elect to contribute 3 to 5 percent of their annual compensation. The District contributes 2 times the percentage of the employee's contribution, not to exceed a total maximum contribution of 10 percent to the retirement program. Employees may also elect additional salary reduction contributions up to the maximum limits allowed by the Internal Revenue Service. The District does not match any portion of the additional salary reduction contributions. The District's contributions to the Savings Plan for 2022 and 2023 were \$894,738 and \$929,319 respectively.

OTHER POST EMPLOYMENT BENEFITS

The District provides certain postemployment health care and death benefits to eligible retirees and their spouses in accordance with provisions established by the District's Board of Directors. The plan is a single-employer plan administered by the District personnel. The plan does not contain separate assets or issue separate financial statements.

Effective for fiscal years beginning after June 15, 2017, the District adopted the Government Accounting Standards Boards Statement No. 75 ("GASB 75"), Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB") for state and local governments. This statement requires public employers sponsoring and subsidizing retiree healthcare benefit programs to recognize the cost of such benefits on an accrual basis.

The District contracted for an actuarial valuation of the District's implicit liability under GASB 75. Under this valuation, the District's OPEB liability was \$24.9 million as of January 1, 2024. The report further computed the District's OPEB expense for 2023 at \$1.861 million with an expected pay-as-you-go funding of \$1.117 million for fiscal 2023.

For further information, please refer to Appendix B – "Audited Financial Statements" under Footnote 12 of the District's December 31, 2024 and 2023 Financial Statements.

SERVICE TERRITORY

The District serves customers located within four counties including Platte, Boone, Nance and Colfax and a portion of Madison County. The District serves twenty-two municipalities at retail within its service area with a 2020 U.S. Census population of 34,263. These municipalities either own or have the option to acquire their distribution systems from the District without cost as provided by Section 70-650.01, Reissue Revised Statutes of Nebraska, as amended. Five municipalities have purchased their electric distribution system. The District continues to account for the cost of these properties in the same manner as those to which it retains title.

The District has Distribution System Lease and Franchise Agreements (the “Agreements”) with all of the municipalities which provide for the continued operation by the District of their distribution systems until the expiration of the Agreements. These Agreements currently run through December 31, 2040, with provisions for extension beyond this time. Under these Agreements, the District retains the responsibilities of ownership and/or operation, including the obligation to bear the costs of property additions and maintenance. In addition, the Agreements provide that the District shall operate the distribution systems of the municipalities as an integral part of its electric system and the District’s Board shall fix rates and charges as provided in Chapter 70, Article 6, Reissue Revised Statutes of Nebraska, as amended (the “Act”). The District shall set rates and charges sufficient to pay the cost of operating, maintaining and repairing the municipalities’ distribution systems.

Under the terms of the Agreements, the District has covenanted and agreed to pay to the municipalities rent in an amount equal to eleven percent (11%) of the gross retail revenues derived from the distribution system. Gross retail electric revenues are defined to mean all receipts from the sale of electric services to customers of the system, excluding however, any revenues received from loads upon which the District grants discounts under the Loup Miscellaneous Municipal Service Rider Rate Schedule and any amounts due to adjustment of fuel costs and similar adjustments. Payments are made to the municipalities quarterly, no later than forty-five (45) days after March 31st, June 30th, September 30th and December 31st.

The cities and villages, along with their Distribution System Lease and Franchise Agreement’s expiration dates, are listed below:

<u>Community</u>	<u>2020 Census Population</u>	<u>System Lease Agreement Expiration Date</u>	<u>Franchise Agreement Expiration Date</u>
Albion	1,699	December 31, 2040	2040
Belgrade	103	December 31, 2040	2040
Cedar Rapids	382	December 31, 2040	2040
Clarkson	641	December 31, 2040	2040
Columbus	24,028	December 31, 2040	2040
Cornlea	33	December 31, 2040	2040
Creston	181	December 31, 2040	2040
Duncan	392	December 31, 2040	2040
Fullerton	1,244	December 31, 2040	2040
Genoa	894	December 31, 2040	2040
Howells	561	December 31, 2040	2040
Humphrey	857	December 31, 2040	2040
Leigh	435	December 31, 2040	2040
Lindsay	283	December 31, 2040	2040
Monroe	296	December 31, 2040	2040
Newman Grove	667	December 31, 2040	2040
Petersburg	332	December 31, 2040	2040
Platte Center	333	December 31, 2040	2040
Primrose	55	December 31, 2040	2040
Richland	70	December 31, 2040	2040
St. Edward	725	December 31, 2040	2040
Tarnov	52	December 31, 2040	2040

The largest city within the District’s service territory is Columbus, Nebraska with a 2020 U.S. Census population of 24,028. For calendar year 2024, the customers within the City of Columbus service area accounted for approximately 77% of the District’s total retail electric revenues of \$88,069,599. See the “City of Columbus, Nebraska” section for additional information regarding the City of Columbus. In addition to the customers served within the municipalities identified above, the District serves customers located within four counties including Boone, Colfax, Nance and Platte and a portion of Madison County.

WHOLESALE CUSTOMER

The District has one wholesale customer and one rural power district in which the District wheels the power through its sub transmission and distribution system. The wholesale customer is the city of Schuyler. The District signed a new wholesale agreement with Schuyler in 2015, which expires in 2040. The District has been serving the wholesale customer since the early 1970’s. The District has a Nebraska Power Review Board approved wholesale service area agreement whereby NPPD is not allowed to serve at wholesale within the District’s service area and the District is not allowed to serve outside its designated service area. The service area agreement has no termination date.

The District’s wholesale customer is billed using the District’s power supplier’s (NPPD) production demand rate, transmission rate and production energy rate. The District’s Board establishes the delivery rates (transmission substation, sub transmission line and distribution substation) based on the District’s investment, operation and maintenance costs of the delivery facilities. The District earns a margin on the District’s delivery costs. At a minimum, the District breaks even on the NPPD costs. The wholesale

customer pays the District no later than the same day the District pays NPPD for the District’s wholesale power. Over the last twenty years, the District has never experienced nonpayment or an untimely payment from its wholesale customers.

The MWH sold and wholesale revenues for the wholesale customer for the last five years are shown below:

	<u>2020</u>		<u>2021</u>		<u>2022</u>		<u>2023</u>		<u>2024</u>	
	MWH Sold	Wholesale Revenue	MWH Sold	Wholesale Revenue	MWH Sold	Wholesale Revenue	MWH Sold	Wholesale Revenue	MWH Sold	Wholesale Revenue
Schuyler	123,494	\$7,358,408	122,618	\$6,938,137	122,599	\$6,959,824	121,273	\$7,327,887	120,484	\$7,064,645

ELECTRIC GENERATING SYSTEM

On August 21, 1934, the District began the construction of a 33-mile canal between Genoa and Columbus, Nebraska which allows for the diversion of water from the Loup River to be used for hydro generation and irrigation. The Loup Canal system begins five miles southwest of Genoa at the Headworks Diversion and diverts water into the Loup Canal. Downstream from the Headworks Diversion, the water flows through the Monroe Powerhouse which has three-turbo generators with a total generation capacity of 7.5 megawatts (MW). From the Monroe Powerhouse, the water flows into two regulating reservoirs named Lake Babcock and Lake North. These reservoirs cover 1,100 acres of surface water. From the reservoirs, the water is channeled 1.5 miles to the Columbus Powerhouse. The Columbus Powerhouse, one of the largest water-powered generating plants in Nebraska, has three turbo generators and is capable of generating a total of 46.2 MW. The Columbus Powerhouse is manned 24 hours a day, seven days a week and 365 days a year.

The District can use the hydro power as a primary or reserve source of electricity. In addition, the hydro system can be used during high demand hours to provide extra power to meet the high demands of electricity during certain times of the day.

On June 27, 2003, the District, licensee for the Loup River Hydroelectric Project FERC (the “Federal Energy Regulatory Commission”) No. 1256, filed a license amendment application to upgrade the Electric Generating System’s six turbo-generator units. The purpose of the amendment was for a rehabilitation project which included rewinding the generators, replacing turbine runners, bushing wicket gate, cooling and lube oil systems. In the spring of 2007, the District completed the upgrades to the generating units. The upgrades enhanced the turbine and generator capabilities of the District’s Electric Generating System. Upon completion of the rehabilitation project, the Electric Generating System’s total generating capacity increased from 47.7 MW to 53.7 MW for an increase of approximately 12.6%.

The District’s Electric Generating System is operated under FERC License No. 1256 (the “License”) which was issued on May 22, 2017 and a Nebraska Water Lease which expires in 2030.

The License contains restrictive flow conditions for the operation of the hydroelectric facilities, many of which are being challenged by the District. Some of the more restrictive terms and conditions are as follows:

- Maintain minimum flows in the Loup River bypass reach
 - 275 cfs, or inflow, whichever is less, from April 1 through September 30
 - 100 cfs, or inflow, whichever is less, from October 1 through March 30
- Run of canal operation (i.e., no hydro cycling/constant water surface level in Lake North and Lake Babcock) from May 1 through June 7

- Maximum diversion of water into the Loup Power Canal of 2,000 cfs from March 1 through June 30
- Cessation of water into the Loup Power Canal (for project purposes) when the water temperature on the Platte River at Louisville, NE reaches 93 degrees Fahrenheit

The District has developed and filed with FERC compliance and management plans. These are the plans required under the specification of the License.

- Operational Compliance Monitoring Plan
- Invasive Species Monitoring Plan
- Interior Least Tern, Piping Plover and Rufa Red Knot Management Plan
- Recreation Management Plan (within this plan is included the need to file an soil erosion and sediment control plan before the start of any construction activities)
- Loup Power Canal Bank Monitoring Plan
- Loup River Bypass Reach Streambank Monitoring Plan

FERC has accepted and approved all of the plans, excluding the Operational Compliance Monitoring Plan. Those plans accepted and approved by FERC have not been challenged by the District, as FERC accepted those plans as filed, with the exception of the Recreation Management Plan. The District is still in discussions with FERC and others regarding the need to reopen the Off Highway Vehicle (“OHV”) area as part of compliance with the Recreation Management Plan.

In October 2024, the District filed a Non-Capacity License Amendment to resolve low water flow issues in the Loup River and to resolve the concerns regarding high water temperature issues in the Platte River at Louisville. This was done as a result of discussions with FERC, United States Fish and Wildlife Service (“USFWS”) and the Nebraska Game and Parks Commission (“NGPC”). FERC, USFWS and NGPC were consulted and included on the recommendations included in the Non-Capacity License Amendment. It is hoped this Non-Capacity License Amendment will be acted on by FERC during 2025.

The District filed a suit against FERC regarding the License at the United States Eighth Circuit Court of Appeals in February 2018. Since the District continues to work to reach acceptable conclusions regarding low water flow issues in the Loup River, the District has asked the Eighth Circuit Court of Appeals to hold the District’s challenge in abeyance until these talks have concluded. If the District can reach an acceptable solution with the parties, the lawsuit at the Eighth Circuit Court of Appeals will be dropped.

POWER SUPPLY

The District’s power supplier NPPD uses a mix of generating facilities and purchase power arrangements to meet the needs of its customers. This includes a nuclear plant, three steam plants, a combined cycle facility, wind generation facilities (both owned and contract purchases), nine hydro facilities, nineteen diesel plants and three peaking units. NPPD also purchases electricity from the Western Area Power Administration. NPPD is a member of the Southwest Power Pool. In 2023, 44.4% of NPPD’s energy was produced from coal-fired units, 3.3% from energy gas and oil fired units, 36.2% from nuclear-fueled units, 10.4% from hydro and renewable resources and 5.7% from purchases. NPPD’s chartered territory covers all or parts of 84 of Nebraska’s 93 counties. NPPD serves 80 communities at the retail level, 37 towns at the wholesale level and 23 public power districts and rural cooperatives at the wholesale level.

The District’s current wholesale power supply agreement was signed by the District in November 2015, with an effective date of January 1, 2016. These long-term power supply agreements are 20-years

agreements lasting through 2035 and continuing on from year to year unless terminated on an anniversary by at least five years' written notice by either party, which notice cannot be given prior to fifteen years after the agreement has been in effect. These agreements are full requirements agreements with NPPD, with certain opt-out provisions for customers to reduce their total purchases from NPPD should NPPD fail to maintain certain benchmarks associated with wholesale rate levels. In addition, within the contracts, wholesale customers have the ability to purchase up to ten percent (10%) of their individual peak demand from qualifying local generation (typically wind, solar or hydroelectric resources) which sits behind the wholesale customer meter with NPPD.

Over the past several years, NPPD has been working with wholesale customers regarding new long-term wholesale power supply agreements. Discussions continue with regard to these new wholesale power contracts and NPPD's expectations are that new agreements will be signed by wholesale customers during 2025. These new wholesale power contracts are expected to extend through 2065.

For the past several years, NPPD has updated and changed wholesale electric rates on an annual basis as needed. No new updates have been provided by NPPD, due to ongoing contract negotiations. Once contract negotiations are finalized, NPPD is expected to update potential future changes in wholesale rates.

In February 2015, the District entered into a purchase power agreement ("PPA") with Bluestem Energy Solutions, LLC ("Bluestem") for the purchase of energy from a 6.8 MW wind farm located in northern Platte County, Nebraska ("Creston Ridge Wind Farm I") pursuant to conditions included in the wholesale power supply agreement with NPPD for wholesale customers to have eligible qualifying local generation behind the wholesale customer's meter. This 6.8 MW represents approximately three percent (3%) of the District's peak demand load. Pricing for the PPA is competitive with the all-in wholesale pricing from NPPD. This PPA was eventually assigned to a subsidiary of Bluestem entitled Creston Ridge I. This PPA contains fixed energy pricing for the twenty-five years the contract is in effect. The Creston Ridge Wind Farm I went into commercial operation in early December 2015.

In addition, in November 2015, the District entered into another PPA with Creston Ridge II (another subsidiary of Bluestem), for the purchase of energy from a 6.9 MW wind farm located in northern Platte County, Nebraska (Creston Ridge Wind Farm II) located near Creston Ridge Wind Farm I. Pricing for this PPA is also competitive with the all-in wholesale pricing from NPPD. This PPA contains fixed energy pricing for the twenty-five years the contract is in effect. The Creston Ridge Wind Farm II went into commercial operation in June 2017.

PAYMENTS TO GOVERNMENTAL SUBDIVISIONS

The District is exempt from Federal and State income taxes and local property taxes. However, the District makes payments to counties aggregating five percent (5%) of its gross operating revenues derived from providing electric services to communities located within those counties. In addition, the District has covenanted and agreed to pay to the municipalities rent in an amount equal to eleven percent (11%) of the gross retail electric revenues derived from the distribution system of the municipalities under terms of the Agreements.

LARGEST RETAIL REVENUE CUSTOMER

The Archer Daniels Midland ("ADM") ethanol facility located in Columbus, Nebraska is the District's largest retail load. Prior to the expansion, the facility had the capability to produce 100 million gallons of

ethanol each year. In 2006, ADM announced and began construction of a large expansion to their ethanol facility. The expansion was completed in late 2009 and the facility now has the capability of producing 375 million gallons of ethanol each year. In addition to the increased capability of producing ethanol, the ADM expansion included the construction of a cogeneration facility capable of producing electric generation and steam for use by the entire ADM facility. The cogeneration facility was completed in early 2010.

The District, working in conjunction with NPPD, has developed a stand-by rate schedule for ADM, where the District supplies the power to ADM in excess of the power generated by ADM's cogeneration facility. This stand-by agreement also provides backup to ADM in the event ADM's cogeneration facility is unable to provide service. The standby rate schedule allows the District to pass through costs from NPPD to ADM with a slight markup for the District's administrative costs. This pass through of costs is similar to the methodology the District has used over the past several years with ADM. The District also bills ADM for the District's cost of delivery facilities based on rates charged to all District customers. Using this methodology, the District is protected from large load swings by ADM.

REPORT OF ELETRIC GENERATION SYSTEM HYDRAULIC OPERATIONS

CALENDAR YEARS 2021 THROUGH 2024

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Gross Generation kWh: Columbus	120,429,000	88,414,000	124,218,000	119,899,000
Gross Generation kWh: Monroe	29,572,000	20,768,000	29,899,000	28,582,000
Less: Station Service Use	659,740	683,720	653,720	659,040
<u>Less: Dredge & Headworks Use</u>	<u>2,885,553</u>	<u>1,985,351</u>	<u>2,605,044</u>	<u>2,856,941</u>
Net Available to NPPD	146,455,707	106,512,929	150,858,236	144,965,019
Revenue from NPPD	\$6,724,398	\$6,948,502	\$6,639,093	\$5,910,968
Revenue per kWh – Mills	\$45.91	\$65.24	\$44.01	\$40.78
<u>Miscellaneous information</u>				
Annual rainfall recorded at the Columbus Powerhouse	27.05”	16.49”	23.51”	30.05”
Acre Feet of Water Diverted by Canal Irrigators	1,841	2,187	2,307	967

TOP RETAIL REVENUE CUSTOMERS (2024)

<u>Customer</u>	<u>Industry</u>	<u>Revenues</u>	<u>Percent of Total Revenues</u>
Archer Daniels Midland	Agriculture	\$20,245,579	19.62%
Becton-Dickinson	Needles and syringes	12,744,985	12.35%
Vishay Dale Electronics	Electronics	1,885,991	1.83%
Lindsay Manufacturing Co.	Irrigation Equipment	1,427,055	1.38%
Columbus Community Hospital	Healthcare	974,295	0.94%
City of Columbus	Municipality	965,955	0.94%
Behlen Manufacturing Co.	Steel buildings, ag equipment	915,414	0.89%
Columbus City Schools	Education	779,587	0.76%
Preferred Sands	Mining	771,371	0.75%
Central Valley Ag	Agriculture	518,612	0.50%
Total Ten Largest Electric Users		\$41,228,844	39.96%
Total 2024 Revenues		\$103,171,741	

HISTORY OF ACCOUNTS SERVED

	2021			2022		
	<u>Avg. No. of Cust</u>	<u>Revenue</u>	<u>kWh</u>	<u>Avg. No. of Cust</u>	<u>Revenue</u>	<u>kWh</u>
Residential	15,870	\$24,160,595	241,852,183	16,047	\$25,251,145	254,288,536
Commercial	3,264	16,264,387	164,470,943	3,298	16,373,228	164,368,995
Industrial	588	41,199,347	665,613,463	588	42,783,913	657,045,905
Municipal	<u>511</u>	<u>3,525,828</u>	<u>42,183,609</u>	<u>509</u>	<u>3,590,791</u>	<u>43,914,707</u>
Totals	20,233	\$85,150,157	1,114,120,198	20,442	\$87,999,077	1,119,618,143

	2023			2024		
	<u>Avg. No. of Cust</u>	<u>Revenue</u>	<u>kWh</u>	<u>Avg. No. of Cust</u>	<u>Revenue</u>	<u>kWh</u>
Residential	16,102	\$25,563,494	254,602,605	16,191	\$25,351,000	239,408,678
Commercial	3,341	16,935,530	169,094,320	3,357	17,487,345	166,331,311
Industrial	592	42,021,695	623,557,768	595	41,211,124	633,215,661
Municipal	<u>512</u>	<u>3,703,425</u>	<u>45,382,789</u>	<u>511</u>	<u>4,011,130</u>	<u>47,373,519</u>
Totals	20,547	\$88,224,144	1,092,637,482	20,654	\$88,060,599	1,086,329,169

PEAK BILLING DEMAND

<u>Calendar Year</u>	<u>Peak Demand (kW)</u>
2020	231,184
2021	243,231
2022	269,539
2023	236,065
2024	250,430

RATES AND CHARGES

The District has the sole authority to determine, fix, impose and collect rates and charges for electric power and energy sold and delivered is vested solely with the District’s Board. The District’s rate setting authority is not subject to the regulatory jurisdiction of any governmental authority or agency, state or federal, nor is the District subject to regulation by the Federal Energy Regulatory Commission, except that Chapter 70 Reissue Revised Statutes of Nebraska, as amended, requires such rates and charges to be fair, reasonable and nondiscriminatory. See “BONDHOLDERS’ RISKS—Proposed Legislation – Rate Setting Ability.” A customer may challenge a rate in Court if the customer claims that the rate does not meet the requirements.

The Nebraska Power Review Board (“NPRB”) is an independent board created in 1963 and consists of five members appointed by the Governor, subject to approval by the legislature. The NPRB was created to facilitate the policy of the State of Nebraska in providing its citizens with an adequate, lower overall cost of electric service, consistent with sound business practices. Among other powers, the NPRB approves retail and wholesale customer service areas and the construction of additional electric generation and transmission facilities. In the exercise of its duties, the NPRB is authorized to hold hearings and promulgate orders which have the force of law. The duties and jurisdiction of the NPRB are limited to those matters specifically granted by State statute including jurisdiction over the retail service areas of the electric utilities in the State. As a public power district, the District is not required to obtain approval from the NPRB for establishing the retail rates of the District which are established by the Board.

Nebraska law provides that, under certain circumstances, the NPRB may render advisory opinions concerning wholesale rate disputes which are not binding on the parties. The statutes further provide that, with certain exceptions, before any electric generation facilities or any transmission lines or related facilities carrying more than 700 volts are constructed by any supplier of electricity, approval of the NPRB must be obtained.

The following rates and charges of the District became effective January 16, 2025. Summer rates are effective from June 15 to October 14 and winter rates are effective from October 15 to June 14. All rates are subject to application of the retail production cost adjustment.

Residential Service:

Customer Service Charge: \$20.00 per month

Minimum Bill: \$20.00 per month

<u>Summer</u>	<u>Winter</u>	
12.55¢	8.60¢	per kWh for the first 600 kWh used per month
10.05¢	8.40¢	per kWh for all additional use

Commercial (single phase):

Customer Service Charge: \$25.00 per month
Minimum Bill: The Customer Service Charge

<u>Summer</u>	<u>Winter</u>	
12.45¢	10.55¢	per kWh for the first 600 kWh used per month
12.45¢	10.55¢	per kWh for the next 600 kWh used per month
11.20¢	9.75¢	per kWh for all additional use

Commercial (three phase):

Customer Service Charge: \$37.50 per month
Minimum Bill: The Customer Service Charge

<u>Summer</u>	<u>Winter</u>	
12.45¢	10.55¢	per kWh for the first 1,800 kWh used per month
12.45¢	10.55¢	per kWh for the next 1,200 kWh used per month
11.20¢	9.75¢	per kWh for all additional use

Large Light & Power Service:

(Distribution delivery from lines of 12,470 volts or less and demand less than 300 KW)

Customer Service Charge: \$475.00 per month
Minimum Bill: The Customer Service Charge

<u>Summer</u>	<u>Winter</u>	
\$18.00	\$13.00	per KW per month of maximum or billing demand
Plus an Energy Charge of		
<u>Summer</u>	<u>Winter</u>	
4.95¢	4.40¢	per kWh

Large Light & Power Service:

(Distribution delivery from lines of 12,470 volts or less and demand more than 300 KW)

Customer Service Charge: \$750.00 per month
Minimum Bill: The Customer Service Charge

<u>Summer</u>	<u>Winter</u>	
\$19.00	\$14.00	per KW on peak demand
\$5.25	\$4.50	per KW off peak demand above on peak demand
Plus an Energy Charge of		
<u>Summer</u>	<u>Winter</u>	
5.75¢	4.75¢	per kWh on peak energy
5.00¢	4.15¢	per kWh off peak energy

DISTRICT OUTSTANDING DEBT

Electric Revenue Debt (Includes the Series 2025 Bonds)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 12/31/24</u>
05/16	\$17,285,000	Refunding	12/26	\$ 4,500,000
07/20	6,460,000	Refunding	12/26	2,255,000
05/25*	33,955,000*	Improvements	12/39*	<u>33,955,000*</u>
Total				\$40,710,000*

Debt Service Payments (includes the Series 2025 Bonds)

<u>Calendar Year</u>	<u>Current Outstanding</u>		<u>Series 2025 Bonds*</u>		<u>Total</u>
	<u>Principal</u>	<u>Principal and Interest</u>	<u>Principal</u>	<u>Principal and Interest</u>	<u>Principal and Interest</u>
2025	\$3,340,000	\$3,460,217	-	\$ 929,047	\$ 4,389,264
2026	3,415,000	3,475,776	-	1,697,750	5,173,526
2027	-	-	\$1,915,000	3,612,750	3,612,750
2028	-	-	2,015,000	3,617,000	3,617,000
2029	-	-	2,115,000	3,616,250	3,616,250
2030	-	-	2,220,000	3,615,500	3,615,500
2031	-	-	2,330,000	3,614,500	3,614,500
2032	-	-	2,445,000	3,613,000	3,613,000
2033	-	-	2,570,000	3,615,750	3,615,750
2034	-	-	2,695,000	3,612,250	3,612,250
2035	-	-	2,830,000	3,612,500	3,612,500
2036	-	-	2,975,000	3,616,000	3,616,000
2037	-	-	3,120,000	3,612,250	3,612,250
2038	-	-	3,280,000	3,616,250	3,616,250
2039	-	-	<u>3,445,000</u>	<u>3,617,250</u>	<u>3,617,250</u>
Total	\$6,755,000	\$6,935,993	\$33,955,000	\$49,618,047	\$56,554,040

*Preliminary, subject to change.

HISTORICAL CASH FLOW AND DEBT SERVICE COVERAGE

The following table presents the District's operating revenues and expenditures for the previous five-year period 2020 through 2024 based on the District's Audited Financial Statements. The projected maximum annual debt service for all parity debt is approximately \$5,173,526 in 2026. Based on the 2024 Audited Financial Statements, net revenues for debt service of \$7,075,328 would provide 1.37 times parity debt coverage.

	<u>Audited Financial Statements</u>				
	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Operating Revenues					
Retail Sales Revenue	\$83,928,080	\$ 85,150,157	\$ 87,999,355	\$ 88,224,414	\$ 88,060,606
Wholesale Sales Revenue	8,400,294	8,155,690	8,311,654	8,687,874	8,392,030
Hydro Utilization Agreement	6,756,725	6,724,396	6,948,503	6,639,092	5,910,968
Other Operating Revenues	633,588	762,121	724,418	731,569	808,137
Total Operating Revenues	\$99,718,687	\$100,792,364	\$103,983,930	\$104,282,949	\$103,171,741
Operating Expenses					
Purchased Power	\$68,437,831	\$66,429,326	\$69,572,315	\$70,461,854	\$67,261,092
Production and Hydraulic Transmission, Distribution Maintenance*	4,673,838	4,927,709	5,559,680	6,629,893	7,064,671
Customer Service and Information	5,833,671	5,987,815	6,366,849	7,504,267	7,896,982
Administrative and General	1,774,464	1,802,770	1,788,546	1,974,886	1,986,225
Depreciation/Amortization*	4,246,814	4,546,330	4,732,837	5,398,388	5,780,379
Payments to Govt. Entities	5,835,466	6,073,364	6,120,501	6,237,196	6,575,675
Total Operating Expenses	\$97,977,746	\$97,494,838	\$102,152,783	\$106,364,180	\$104,840,342
Net Operating Revenue	\$1,740,941	\$3,297,526	\$1,831,147	\$(2,081,231)	\$(1,668,601)
Other Income (Expense)					
Interest Income	\$404,192	\$233,205	\$345,519	\$847,450	\$950,046
Other Income	266,326	424,938	518,585	718,533	775,243
Other Expenses	(19,843)	(77,313)	(57,669)	(41,988)	(33,124)
Add Back Depreciation/Amortization*	6,319,990	6,551,811	6,595,508	6,710,207	7,051,764
Subtotal	\$6,970,665	\$7,132,641	\$7,401,943	\$8,234,202	\$8,743,929
Net Revenue Available for Debt Service	\$8,711,606	\$10,430,167	\$9,233,090	\$6,152,971	\$7,075,328
Total Electric Debt Service	\$3,637,393	\$3,399,564	\$3,420,030	\$3,430,344	\$3,445,573
Debt Service Coverage Ratio	2.40	3.07	2.70	1.79	2.05
Cashflow After Debt Service	\$5,074,213	\$7,030,603	\$5,813,060	\$2,722,627	\$3,629,755

*As shown in the Statements of Cashflow, additional depreciation was charged to other accounts. Accordingly, the additional depreciation in the Operating and Maintenance expenses was shifted to Depreciation/Amortization. The additional depreciation is shown below.

Depreciation Charged to Other Accounts	\$484,524	\$478,447	\$475,007	\$473,011	\$476,089
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THE CITY OF COLUMBUS, NEBRASKA

The City of Columbus, Nebraska, (the “City”) the county seat of Platte County, is located in east-central Nebraska. The City is located 85 miles west of the Omaha metropolitan area and 75 miles northwest of Lincoln, the state capital. The City was incorporated in 1865. It is the financial, commercial, education, cultural and medical hub of east central Nebraska. In addition, the City is known as the City of Power and Progress and is considered the headquarters of public power in Nebraska.

POPULATION

1980 U.S. Census	17,328
1990 U.S. Census	19,480
2000 U.S. Census	20,971
2010 U.S. Census	22,111
2020 U.S. Census	24,028
2023 (Estimate)	24,464

EDUCATION

Five public elementary schools, a middle school and a high school serve the community along with five parochial grade schools and one parochial high school. Columbus is also home to the Central Community College, Columbus Campus.

MAJOR MANUFACTURERS AND OTHER LARGER EMPLOYERS

A representative list of larger employers in the City’s Micropolitan Statistical Area is as follows:

<u>Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Behlen Mfg. Co.	Steel buildings & Ag. Equipment	1,000 to 4,999
BD (Becton, Dickinson & Co.)	Hypodermic Needles & Syringes	500-999
Vishay Dale Electronics	Electronic Products	500-999
Nebraska Public Power District	Electric Utility	500-999
Camaco LLC	Automotive Seats and Frames	500-999
Columbus Truck Wash	Agricultural Consultants	250-499
Archer Daniels Midland	Multiple Corn Products	250-499
Walmart Supercenter	Department Stores	250-499
Cargill Meat Solutions	Meat Packers	250-499

Source: Nebraska Department of Labor

PER CAPITA INCOME

	<u>2000</u>	<u>2010</u>	<u>2019-2023 Estimate</u>
State of Nebraska	\$19,613	\$25,229	\$40,637
Platte County	18,064	23,358	37,137
Boone County	15,831	22,790	36,659
Nance County	16,886	21,457	32,738
Colfax County	15,148	20,872	32,757
City of Columbus	18,345	23,472	35,400

Source: U.S. Census Department, QuickFacts

RETAIL SALES

	<u>City of Columbus</u>	<u>Platte County</u>	<u>State of Nebraska</u>
2019	\$427,077,119	\$451,957,569	\$33,476,885,939
2020	424,457,220	449,224,815	35,234,208,367
2021	466,905,457	494,840,341	39,902,075,895
2022	505,844,881	535,351,236	43,296,350,435
2023	522,726,315	551,310,306	43,932,741,452

Source: Nebraska Department of Revenue. Amounts are Net Taxable Sales.

UNEMPLOYMENT RATES

		<u>Platte County</u>	<u>State of Nebraska</u>
Annual Averages:	2019	3.0%	3.1%
	2020	3.7%	4.3%
	2021	2.3%	2.6%
	2022	1.9%	2.2%
	2023	2.0%	2.3%

Source: Nebraska Development of Labor. Not seasonally adjusted.

APPENDIX B

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

LOUP RIVER PUBLIC POWER DISTRICT
FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

LOUP RIVER PUBLIC POWER DISTRICT
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**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Loup River Public Power District
Columbus, Nebraska

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Loup River Public Power District, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise Loup River Public Power District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Loup River Public Power District, as of December 31, 2024 and 2023, 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 Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Loup River Public Power 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 Loup River Public Power District's ability to continue as a going concern for twelve months beyond the financial statement date including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Loup River Public Power 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 Loup River Public Power District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 10 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise Loup River Public Power District's basic financial statements. The supplementary information, on pages 36 - 37, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information on pages 38 - 39 is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2025, on our consideration of Loup River Public Power District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Loup River Public Power District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Loup River Public Power District's internal control over financial reporting and compliance.

Dana J Cole + Company, LLP

Grand Island, Nebraska
March 18, 2025

LOUP RIVER PUBLIC POWER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF BUSINESS

Public power is an American tradition that works for local communities and consumers across the country. The purpose of public power is to provide excellent, efficient service to its customer-owners. Unlike private power companies, public power utilities do not have to serve stockholders as well as customers. Loup River Public Power District's (the District), hometown advantages - low rates, commitment to local communities, public accountability, local decision-making, and strong customer service - have made the District a community success. The District has always been dedicated to providing reliable, dependable, and affordable energy to its customers. By controlling costs and effective financial planning, the District will continue to provide superior customer satisfaction for many years to come.

The following management's discussion and analysis should be read in conjunction with the financial statements and notes to the financial statements beginning on page 11 and contains forward-looking statements based largely on the District's current plans.

FINANCIAL POSITION

The following table summarizes the District's financial position at December 31, 2024, 2023, and 2022.

Statements of Net Position			
	2024	2023	2022
Utility plant, net	111,276,301	109,571,801	108,469,604
Other property	843,835	838,610	833,610
Special purpose funds	1,303,749	1,303,708	1,304,294
Noncurrent assets	7,028,293	14,083,152	15,442,679
Current assets	35,132,168	31,097,135	32,124,643
Deferred outflows of resources	11,605,728	11,512,380	14,440,234
Total assets and deferred outflows of resources	<u>167,190,074</u>	<u>168,406,786</u>	<u>172,615,064</u>
Net position	110,822,799	110,955,801	114,291,301
Deferred inflows of resources	7,051,066	6,699,448	3,123,614
Noncurrent liabilities	30,778,460	32,333,626	37,501,295
Current liabilities	18,537,749	18,417,911	17,698,854
Total net position, deferred inflows of resources, and liabilities	<u>167,190,074</u>	<u>168,406,786</u>	<u>172,615,064</u>

LOUP RIVER PUBLIC POWER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL POSITION (Continued)

The following table summarizes the District's operating results.

Condensed Operating Results

	2024	2023	2022
Operating revenue	103,171,741	104,282,949	103,983,930
Operating expenses	<u>104,840,342</u>	<u>106,483,453</u>	<u>102,152,783</u>
Net operating revenue	(1,668,601)	(2,200,504)	1,831,147
Investment and other income	1,725,289	1,565,983	864,104
Debt and other expenses	<u>189,690</u>	<u>242,846</u>	<u>299,651</u>
Increase (decrease) in net position	<u>(133,002)</u>	<u>(877,367)</u>	<u>2,395,600</u>

The following table summarizes the District's operating results compared to the budget for the 2024 year.

	Actual	Budget	Variance	%
ELECTRIC REVENUE				
Retail sales	88,060,606	90,578,000	(2,517,394)	(2.8)
Wholesale sales	8,392,030	8,546,000	(153,970)	(1.8)
Hydro utilization agreement	5,910,968	6,951,000	(1,040,032)	(15.0)
Other	<u>808,137</u>	<u>802,000</u>	<u>6,137</u>	0.8
Total electric revenue	<u>103,171,741</u>	<u>106,877,000</u>	<u>(3,705,259)</u>	(3.5)
OPERATING EXPENSES				
Purchased power	67,261,092	71,800,000	(4,538,908)	(6.3)
Other operating and maintenance expenses	22,728,257	21,489,550	1,238,707	5.8
Depreciation	6,575,675	6,276,000	299,675	4.8
Payments to governmental subdivisions	<u>8,275,318</u>	<u>8,382,000</u>	<u>(106,682)</u>	(1.3)
Total operating expenses	<u>104,840,342</u>	<u>107,947,550</u>	<u>(3,107,208)</u>	(2.9)
NET OPERATING REVENUE (EXPENSE)	<u>(1,668,601)</u>	<u>(1,070,550)</u>	<u>(598,051)</u>	55.9
OTHER INCOME (EXPENSE)				
Interest income	950,046	1,047,000	(96,954)	(9.3)
Interest expense	(156,566)	(160,000)	3,434	2.1
Other	<u>742,119</u>	<u>536,000</u>	<u>206,119</u>	38.5
Total other income (expense)	<u>1,535,599</u>	<u>1,423,000</u>	<u>112,599</u>	(7.9)
INCREASE (DECREASE) IN NET POSITION	<u>(133,002)</u>	<u>352,450</u>	<u>(485,452)</u>	(137.7)

LOUP RIVER PUBLIC POWER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

OPERATING REVENUES AND EXPENSES

Electric revenue decreased 1.1%. These revenues were \$3.7 million, or 2.8%, lower than the budgeted amount for the year due to lower retail electric sales.

Operating expenses decreased 1.4%, or approximately \$1.5 million. Purchased power decreased 4.5%, or \$3.2 million, due to a higher PCA credit amount. In addition, other operating and maintenance expenses increased 5.7%, or approximately \$1.2 million, which was 5.8% higher than the budgeted amount for the year.

ENERGY SALES

2024 to 2023

Total energy sales were 1,206,813,577 kilowatt-hours (kWh) for the year ended December 31, 2024, a decrease of 7,096,536 kWh, or .6%, from 2023 energy sales of 1,213,910,113 kWh.

2023 to 2022

Total energy sales were 1,213,910,113 kilowatt-hours (kWh) for the year ended December 31, 2023, a decrease of 28,307,119 kWh, or 2.3%, from 2022 energy sales of 1,242,217,232 kWh.

The following table shows energy sales by customer class (in kWh).

	2024	2023	2022
Energy Sales			
Residential	239,408,678	254,602,605	254,288,536
Commercial	166,331,311	169,094,320	164,368,995
Industrial	633,215,661	623,557,768	657,045,905
Municipal	47,373,519	45,382,789	43,914,707
Wholesale	120,484,408	121,272,631	122,599,089
Total energy sales	<u>1,206,813,577</u>	<u>1,213,910,113</u>	<u>1,242,217,232</u>

NUMBER OF CONSUMERS

The District has a stable customer base which continues to grow at a steady rate.

The District served an average of 20,656 customers for the year ended December 31, 2024, an increase of 107 customers, or .5%, over the average number of customers for 2023 of 20,549.

The District served an average of 20,549 customers for the year ended December 31, 2023, an increase of 105 customers, or .5%, over the average number of customers for 2022 of 20,444.

LOUP RIVER PUBLIC POWER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

NUMBER OF CONSUMERS (Continued)

The following table shows the average number of customers by class.

	2024	2023	2022
Number of Customers			
Residential	16,191	16,102	16,047
Commercial	3,357	3,341	3,298
Industrial	595	592	588
Municipal	511	512	509
Wholesale	<u>2</u>	<u>2</u>	<u>2</u>
Total	<u>20,656</u>	<u>20,549</u>	<u>20,444</u>

CENTS PER KWH

The average retail revenues per kWh sold in 2024 shows 8.11 cents per kWh compared to 8.07 cents in 2023.

FINANCING

In May 2016, the District issued \$17,285,000 of bonds, which were sold at interest rates ranging from 2.00% - 5.00%, depending on the term. The proceeds from the sale of the bonds were used to refund bonds the District issued in 2007, which were used for capital expenditures, on their call date of December 1, 2017. In July 2020, the District issued \$6,460,000 of direct placement bonds at an interest rate of 1.34%. The proceeds from the sale of the bonds were used to refund the bonds the District issued in 2012, which were used for capital and relicensing expenditures. Principal payments on the 2016 bond issue began in 2017 and payments on the 2020 issue began in 2021.

CASH FLOWS

The District's operating activities generated cash and cash equivalents of \$8.0 million in the current year compared to \$6.2 million in the previous year. Capital and related finance activities used cash and cash equivalents of \$12.2 million in 2024, compared to using \$11.2 million in 2023. Investing activities provided cash and cash equivalents of \$10.3 million in 2024, compared to providing \$3.8 million in 2023. The 2024 cash provided was \$6.0 million compared to cash used of \$1.2 million in 2023. The District invested \$8.8 million into capital assets in 2024, compared to \$7.8 million in the previous year. The following table illustrates the cash flows by activities.

	2024	2023	2022
Cash Flows			
Cash flows from operating activities	7,970,171	6,230,620	8,904,801
Cash flows used in capital and financing activities	(12,223,762)	(11,233,184)	(11,239,820)
Cash flows used in investing activities	<u>10,261,786</u>	<u>3,785,384</u>	<u>(3,632,746)</u>
Increase (decrease) in cash and cash equivalents	<u>6,008,195</u>	<u>(1,217,180)</u>	<u>(5,967,765)</u>

LOUP RIVER PUBLIC POWER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

CASH FLOWS (Continued)

Cash flows from operating activities consist of transactions involving changes in current assets, current liabilities, and other transactions that affect operating income.

The cash flow generated from operating activities is a result of the positive financial operation of the District as shown during the last three years.

Cash flows from capital and related financing activities consist of transactions involving long-term debt and the acquisition and construction of capital assets.

Cash flows from investing activities consist of transactions involving the purchase and maturities of investment securities and interest income.

The District continually invests any idle cash, resulting in investment income for the operations of the District, which are then used to finance further construction of additional utility plant.

DEBT SERVICE COVERAGE

The District is required by its bond covenants to maintain a debt service coverage of 1.10 times. The following table reflects the calculation of debt service coverage, indicating the District's solid ability to make required debt service payments.

	2024	2023
DEBT SERVICE COVERAGE		
Decrease in net assets	(133,002)	(758,094)
Depreciation charged to operations	6,575,675	6,237,196
Depreciation charged to other accounts	476,089	473,011
Interest on debt expense	230,544	345,780
Amortization of debt costs and premium discounts	(47,249)	(108,924)
Net available for debt service	<u>7,102,057</u>	<u>6,188,969</u>
Total debt service	<u>3,445,573</u>	<u>3,430,344</u>
Debt service coverage	<u>2.06</u>	<u>1.80</u>
Required minimum for new issues	<u>1.10</u>	<u>1.10</u>
Excess	<u>0.96</u>	<u>0.70</u>

LOUP RIVER PUBLIC POWER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

RETIREMENT PLAN

The District has a 401(k) savings plan for employees, the Loup River Public Power District Basic Thrift Savings Plan (the Plan). Employees are eligible once they have one year of service and are 21 years of age. Employees may contribute 3% - 5% of their annual compensation to the Plan. The District contributes 2 times the percentage of the employee's contribution. The District's contribution cannot exceed 10 percent. Employees may elect additional salary reduction contributions up to the maximum limits allowed by the Internal Revenue Service, which the District does not match. Total covered payroll was \$10,498,987 in 2024, and \$9,903,869 in 2023. District contributions were \$987,712 in 2024, and \$929,319 in 2023. Employee contributions for 2024 and 2023 were \$1,193,902 and \$1,139,944, respectively.

CAPITAL PROGRAM

The District continually evaluates electric system requirements and makes long-range recommendations for capital improvements necessary to serve the growing load requirements with a reliable and economical power supply. The following table shows the District's completed capital program additions for the years ended December 31, 2024, 2023, and 2022. The District finances the capital program with revenues from operations, investment income, revenue bond proceeds, and cash and investment reserves.

	2024	2023	2022
Capital Program			
Production	20,170		92,125
Transmission	1,767,380	405,389	139,490
Distribution	4,081,162	4,455,947	4,293,405
General plant	<u>2,740,269</u>	<u>1,402,344</u>	<u>1,560,835</u>
Total capital program	<u>8,608,981</u>	<u>6,263,680</u>	<u>6,085,855</u>

The District continues to reinvest margins of the District in system revitalization and construction of plant facilities for both new and expanding customers.

Major capital asset projects invested in during 2024 included \$2.7 million to upgrade the general plant and \$4.1 million for expanding distribution facilities.

Major capital asset projects invested in during 2023 included \$1.4 million to upgrade the general plant and \$4.5 million for expanding distribution facilities.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, the reported amounts of revenues and expenses during the reporting period, and the disclosure of contingent assets and liabilities as of the date of the financial statements. Actual results could differ from those estimates.

LOUP RIVER PUBLIC POWER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

CRITICAL ACCOUNTING POLICIES (Continued)

These judgments, in and of themselves, could materially impact the financial statements and disclosures based on varying assumptions, which may be appropriate to use. In addition, the financial and operating environment also may have a significant effect, not only on the operation of the business, but on the results reported through the application of accounting measures used in preparing the financial statements and related disclosures, even if the nature of the accounting policies has not changed.

The following is a list of accounting policies that are significant to the District's financial condition and results of operation and require management's most difficult, subjective, or complex judgments. Each of these has a higher likelihood of resulting in materially different reported amounts under different conditions or using different assumptions.

<u>Accounting Policies</u>	<u>Judgments/Uncertainties Affecting Application</u>
Regulatory Operations - (GASB 62 Para. 476 - 500)	- External regulatory requirements - Anticipated future regulatory decisions and their impact
Relicensing Cost Recovery	- Estimated costs for relicensing
Environment issues	- Approved methods of cleanup - Governmental regulations and standards
Unbilled revenues	- Estimate of customer energy use

CURRENT KNOWN FACTS, DECISIONS, OR CONDITIONS OF FUTURE SIGNIFICANCE

In 2025, the District plans to issue new debt to help finance capital projects that are budgeted to occur in the near future (2025 and 2026). This debt issue is expected to be in the \$30 million to \$35 million dollar range, with the debt service being paid off over a 15-year period. District management is working with the Board of Directors to finalize this bond issue, which is expected to close in May 2025.

SUMMARY OF FINANCIAL STATEMENTS

The financial statements, related notes, and management's discussion and analysis provide information about the District's financial position and activities. The statements of net position present the District's assets, deferred outflows, liabilities, deferred inflows, and net position as of December 31, 2024 and 2023, with current and long-term portions of assets and liabilities separately identified. The statements of revenues, expenses, and changes in net position present the District's operating results and changes in equity for the two years ended December 31, 2024 and 2023. The statements of cash flows provide information about the flow of cash within the District by activities for the two years ended December 31, 2024 and 2023. The notes to the financial statements provide additional detailed information.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Loup River Public Power District, P.O. Box 988, Columbus, Nebraska, 68602.

LOUP RIVER PUBLIC POWER DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2024 AND 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	2024	2023
UTILITY PLANT	227,988,053	220,205,273
Less accumulated depreciation	(116,711,752)	(110,633,472)
Net capital assets	<u>111,276,301</u>	<u>109,571,801</u>
OTHER PROPERTY, at cost	<u>843,835</u>	<u>838,610</u>
SPECIAL PURPOSE FUNDS		
Cash and cash equivalents		
Debt service funds	3,749	3,708
Investments		
Debt reserve funds	1,300,000	1,300,000
Total special purpose funds	<u>1,303,749</u>	<u>1,303,708</u>
NONCURRENT ASSETS		
Investments	1,059,325	8,157,891
Other assets	5,968,968	5,925,261
Total noncurrent assets	<u>7,028,293</u>	<u>14,083,152</u>
CURRENT ASSETS		
Cash and cash equivalents	21,648,711	15,640,557
Investments	360,036	1,768,522
Accounts receivable	6,617,291	7,192,750
Other receivables	546,085	573,733
Unbilled revenues	3,260,000	3,260,000
Materials and supplies inventories	1,878,798	1,910,585
Prepaid expenses	821,247	750,988
Total current assets	<u>35,132,168</u>	<u>31,097,135</u>
TOTAL ASSETS	<u>155,584,346</u>	<u>156,894,406</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred bond issuance costs, net	18,999	40,227
Deferred OPEB costs	5,288,220	4,891,318
Regulatory relicensing costs, net	6,298,509	6,580,835
Total deferred outflows of resources	<u>11,605,728</u>	<u>11,512,380</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>167,190,074</u>	<u>168,406,786</u>

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

LOUP RIVER PUBLIC POWER DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2024 AND 2023

NET POSITION, DEFERRED INFLOWS OF RESOURCES, AND LIABILITIES

	2024	2023
NET POSITION		
Invested in capital assets, net of related debt	78,001,676	77,014,644
Restricted	1,300,000	1,300,000
Unrestricted	31,521,123	32,641,157
Total net position	<u>110,822,799</u>	<u>110,955,801</u>
 DEFERRED INFLOWS OF RESOURCES		
Deferred customer credits	652,095	662,683
Deferred OPEB resources	6,398,971	6,036,765
Total deferred inflows of resources	<u>7,051,066</u>	<u>6,699,448</u>
 NONCURRENT LIABILITIES		
Revenue bonds payable	6,767,187	10,046,165
Accrued expenses	2,249,407	2,142,859
Postretirement benefit obligation	25,101,866	23,349,602
Less current maturities	<u>(3,340,000)</u>	<u>(3,205,000)</u>
Total noncurrent liabilities	<u>30,778,460</u>	<u>32,333,626</u>
 CURRENT LIABILITIES		
Accounts payable	6,809,052	6,786,868
Accrued expenses	2,131,885	2,336,993
Customer deposits	625,554	614,699
Current portion of long-term debt	3,340,000	3,205,000
Accrual for payments to governmental subdivisions	4,029,011	3,979,148
Postretirement benefit obligation	1,602,247	1,495,203
Total current liabilities	<u>18,537,749</u>	<u>18,417,911</u>
 TOTAL NET POSITION, DEFERRED INFLOWS OF RESOURCES, AND LIABILITIES		
	<u>167,190,074</u>	<u>168,406,786</u>

LOUP RIVER PUBLIC POWER DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
ELECTRIC REVENUES		
Retail sales	88,060,606	88,224,414
Wholesale sales	8,392,030	8,687,874
Hydro utilization agreement	5,910,968	6,639,092
Other	808,137	731,569
Total electric revenues	<u>103,171,741</u>	<u>104,282,949</u>
OPERATING EXPENSES		
Cost of purchased power	67,261,092	70,461,854
Production and hydraulic	7,064,671	6,629,893
Transmission and distribution operation and maintenance	7,896,982	7,504,267
Customer service and information	1,986,225	1,974,886
Administrative and general	5,780,379	5,517,661
Depreciation	6,575,675	6,237,196
Payments to governmental subdivisions	8,275,318	8,157,696
Total operating expenses	<u>104,840,342</u>	<u>106,483,453</u>
NET OPERATING REVENUES (EXPENSES)	<u>(1,668,601)</u>	<u>(2,200,504)</u>
INVESTMENT AND OTHER INCOME		
Interest income	950,046	847,450
Other income	775,243	718,533
Total investment and other income	<u>1,725,289</u>	<u>1,565,983</u>
DEBT AND OTHER EXPENSES		
Interest expense	156,566	200,858
Other expenses	33,124	41,988
Total debt and other expenses	<u>189,690</u>	<u>242,846</u>
INCREASE (DECREASE) IN NET POSITION	(133,002)	(877,367)
NET POSITION, beginning of year	110,955,801	114,291,301
Prior period adjustment, sick leave obligation recognition	<u> </u>	<u>(2,458,133)</u>
NET POSITION, end of year	<u>110,822,799</u>	<u>110,955,801</u>

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

LOUP RIVER PUBLIC POWER DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	103,739,008	103,806,211
Cash paid to suppliers	(84,431,857)	(87,124,184)
Cash paid to employees	<u>(11,336,980)</u>	<u>(10,451,407)</u>
Net cash provided by operating activities	<u>7,970,171</u>	<u>6,230,620</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets (net of contributions in aid of \$1,327,920 in 2024 and \$341,487 in 2023)	(8,756,264)	(7,812,404)
Principal payments on long-term debt	(3,205,000)	(3,075,000)
Interest paid on revenue bonds	<u>(262,498)</u>	<u>(345,780)</u>
Net cash used in capital and related financing activities	<u>(12,223,762)</u>	<u>(11,233,184)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investment securities	(880,666)	(273,363)
Proceeds from sales and maturities of investment securities	9,389,353	2,672,131
Interest received on investments	985,886	845,770
Other	<u>767,213</u>	<u>540,846</u>
Net cash provided by investing activities	<u>10,261,786</u>	<u>3,785,384</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,008,195	(1,217,180)
CASH AND CASH EQUIVALENTS, beginning of year	<u>15,644,265</u>	<u>16,861,445</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>21,652,460</u></u>	<u><u>15,644,265</u></u>

LOUP RIVER PUBLIC POWER DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH AND CASH EQUIVALENTS		
Unrestricted	21,648,711	15,640,557
Special purpose	3,749	3,708
Cash and cash equivalents	<u>21,652,460</u>	<u>15,644,265</u>
Reconciliation Of Net Operating Revenues (Expenses) To Net Cash Provided By Operating Activities		
Net operating revenues (expenses)	<u>(1,668,601)</u>	<u>(2,200,504)</u>
Adjustments to reconcile net operating revenues (expenses) to net cash provided by operating activities:		
Depreciation charged to operations	6,575,675	6,237,196
Depreciation charged to other accounts	476,089	473,011
Changes in assets and liabilities:		
Receivables, excluding interest and notes	567,267	(476,738)
Materials and supplies inventories	31,787	(57,864)
Prepaid expenses	(70,259)	(134,282)
Deferred charges and other assets	(137,055)	2,500,791
Customer deposits and credit balance	362,473	3,597,302
Accounts payable	22,184	(188,843)
Accrual for payments to governmental subdivisions	49,863	64,469
Other accrued expenses	1,760,748	(3,583,918)
Total adjustments	<u>9,638,772</u>	<u>8,431,124</u>
Net cash provided by operating activities	<u>7,970,171</u>	<u>6,230,620</u>

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

LOUP RIVER PUBLIC POWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Loup River Public Power District (the District), is a public corporation and political subdivision of the state of Nebraska providing retail electric service to customers in 22 municipalities and wholesale power to one municipality. The District's service area encompasses Platte, Colfax, Boone, Nance, and a part of Madison County in Nebraska. The District owns and operates two hydroelectric power plants located in Columbus and Monroe, Nebraska, and various substations, electrical distribution systems, transmission lines, properties, and facilities located within the municipalities constituting the District. The District's Board of Directors establishes rates for the sale of electric energy. Such rates are not subject to regulatory review.

As a political subdivision of the state of Nebraska, the District is exempt from federal and state income taxes. Payments in lieu of taxes are made to various local governments.

The District has adopted Governmental Accounting Standards Board (GASB) Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements*; GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and GASB Statement 65, *Items Previously Reported as Assets and Liabilities*.

Proprietary Fund

Proprietary Fund - This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate. All operations of Loup River Public Power District are reported in the proprietary fund.

Basis of Accounting

The financial statements are prepared in accordance with accounting principles generally accepted in the United States and follow accounting guidance provided by GASB.

The District follows the uniform system of accounts as prescribed by the Federal Energy Regulatory Commission (FERC).

The financial statements are presented in accordance with accounting principles generally accepted in the United States (GAAP). GASB is responsible for establishing GAAP for state and local governments through its pronouncements. The financial statements are prepared in accordance with the accrual basis of accounting. Under this basis, revenues are recognized in the period earned and expenses are recognized in the period incurred.

LOUP RIVER PUBLIC POWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

The District follows the provisions of GASB 62, paragraphs 476 - 500, *Regulated Operations*. In general, this permits an entity with cost-based rates to defer certain costs or 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 rates charged to its customers.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenues and Expense Recognition

The District presents its revenues and expenses as operating or nonoperating based on recognition definitions from GASB Statement 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*. Operating activities are those activities that are necessary and essential to the mission of the District. Operating revenues include all charges to customers. Revenues from nonexchange transactions, as well as investment income, are considered nonoperating since these are either investing, capital, or noncapital financing activities. Operating expenses are all expense transactions incurred other than those related to investing, capital, or noncapital financing activities as defined by GASB Statement 9.

The District is required under the General Revenue Bond Resolution (the Resolution), to charge rates for electric power and energy so that revenues will be at least sufficient to pay operating expenses, aggregate debt service on the General Revenue Bonds, amounts to be paid into Debt Reserve Fund, and all other charges or liens payable out of revenues. In the event the District's rates for services result in a surplus or deficit in revenues during a rate period, such surplus or deficit within certain limits may be retained in a rate stabilization account. Any amounts in excess of the limits will be taken into account when projecting revenues requirements and establishing rates in future rate periods.

Utility Plant

Utility plant is stated at cost. Certain distribution plant assets have been or are subject to acquisition without cost by the municipalities served by the District. The accounting treatment applied to such properties is identical to that of other utility plants, not subject to acquisition. Such treatment is in accordance with the District's ratemaking philosophy.

LOUP RIVER PUBLIC POWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Utility Plant (Continued)

Certain distribution plant assets were sold to municipalities under system lease and franchise agreements. The agreements provide for continued operation of the plants by the District for a 30-year period, which approximates the life of the related plants. The resulting gains were netted against utility plant in the financial statements and are amortized on a straight-line basis over the life of the lease and franchise agreements. The amortization is included in other electric revenues.

The provision for depreciation is computed using composite rates determined by FERC plant codes. The provision in relation to plant-in-service averaged 3.09 for 2024, and 3.05 for 2023. Costs of labor, materials, supervision, and other expenses incurred in making repairs and minor replacements and in maintaining the plant in efficient operating condition are charged to expenses. Plant accounts are charged with the costs of betterments and replacements of plant, except minor replacements, and the accumulated provision for depreciation is charged with retirements, together with removal costs, less salvage.

Bond Issue Costs

Bond discount fees incurred on the bonds are expensed in the period incurred.

Other Property

The District purchases various tracts of land within its service area for economic development. The land, stated at cost, will be held for future use of the District until sold.

Cash and Cash Equivalents

Cash deposits, primarily interest-bearing, are covered by federal depository insurance or pledged collateral of unregistered U.S. government securities held by various depositories.

For the purposes of the statements of cash flows, the District considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Investment Securities

The District follows GASB 31 (as amended by GASB 40), *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. GASB 31 requires the District's investments to be recorded at market value with the changes in the market value of investments reported as investment income in the statement of revenues, expenses, and changes in net assets. Investments are stated at cost which approximates market value.

The District classifies all debt and marketable equity securities in which the District has the ability and intent to hold the security until maturity as held-to-maturity securities.

LOUP RIVER PUBLIC POWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Financial instruments which potentially subject the District to concentrations of credit risk consist primarily of trade receivables with a variety of customers. The District generally requires collateral deposits from new customers. Deposits are returned to customers upon establishing good credit history with the District. Such credit risk is considered by management to be limited due to the District's broad customer base and its customers' financial resources.

Materials and Supplies Inventories

Materials and supplies inventories are stated at cost, which does not exceed market. Cost is determined on a weighted-average basis.

Compensated Absences

Employees of the District are entitled to vacation depending on length of service. Employees may earn up to a maximum of 200 hours per year depending on length of service. Vacation leave may be accumulated at the end of an anniversary year to a maximum of 400 hours. Upon termination, an employee would be compensated for any accrued but unused vacation. Unused vacation included in accrued expenses was \$844,478 and \$876,344 in 2024 and 2023, respectively.

Employees of the District are entitled to paid sick leave. They may earn a maximum of 96 hours per year and may accumulate 150 hours total. Sick leave shall be cancelled when terminated and all unused sick leave will be forfeited.

Restricted/Unrestricted Net Position

If both restricted and unrestricted resources are available to finance a restricted program, restricted resources are used first unless the restricted resources require unrestricted resources to be used first.

Retirement Plan

All retirement plan costs are funded as accrued.

Unamortized Financing Costs

These costs represent issuance expense on all bonds and are being amortized over the life of the respective bonds using the bonds outstanding method.

Retail Sales

Billings for retail electric revenues are rendered on a cycle basis. Meters are read on a monthly basis. Unbilled revenues, consisting of consumer consumption between the last meter reading date and the end of the period, are accrued in the year of consumption.

LOUP RIVER PUBLIC POWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retail Sales (Continued)

The District has a retail customer that accounted for 19.6% and 20.5% of the District's total operating revenues in 2024 and 2023, respectively. This customer implemented self-generation in 2010 for a portion of their load. The financial impact to the District has been negligible based on the current rate methodology used by the District.

Wholesale Sales

Wholesale electric revenues billings are rendered on a monthly basis for consumption through the end of the month.

Leases

The District adopted GASB Statement 87, *Leases*, as of January 1, 2022. A lease liability and a lease asset are recognized at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying assets. The lease liability is measured at the present value of payments expected during the lease term. The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease. The lease liability is reduced as payments are made and interest expense is recognized. The leased asset is generally amortized over the term of the lease unless the useful life of the underlying asset is less. A short-term lease is a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Short-term leases are expensed in the period incurred. Contracts that transfer ownership of the underlying assets or contain a bargain purchase option are recognized as financing contracts. The District excludes immaterial leases based on the provisions of GASB 87. This new standard did not affect the District's reporting other than note disclosures.

Subscription-based Information Technology

GASB Statement 96, *Subscription-based Information Technology Arrangements (SBITAs)*, was implemented in the current fiscal year. The standard provides guidance related to accounting and financial reporting for SBITAs. The standard generally requires the recording of a right-to-use subscription asset (intangible asset) and a corresponding liability. There is an exception for short-term SBITAs defined as those with maximum possible terms of 12 months or less including options to extend, regardless of their probability of being exercised. There is the potential for expanded disclosures for those meeting the criteria, in which case the arrangement including commitments to maturity are disclosed. The District currently has no material commitments under these types of arrangements.

LOUP RIVER PUBLIC POWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently issued accounting pronouncements

In June 2023, the Governmental Accounting Standards Board (GASB) issued Statement 101, *Compensated Absences*. This statement is effective for fiscal years beginning after December 15, 2023. The Standard requires a liability to be recognized for compensated absences as of the end of the financial reporting period for earned leave that has not been used if, and to the extent that, the leave meets all of the following criteria:

- a. The leave is for services already performed by the employee.
- b. The leave accumulates.
- c. The leave is more likely than not (greater than a 50% chance) going to be used as time off or settled.

The District already accrues vacation for all employees, if applicable. This Standard expands the requirements that will include a sick leave accrual.

Net Position

Net position of the District is classified in three components. Net position invested in capital assets, net of related debt, consists of capital position net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Restricted expendable net position is noncapital assets that must be used for a particular purpose as specified by creditors, grantors, or donors external to the District, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings. Unrestricted net position is the remaining assets less remaining liabilities that do not meet the definition of invested in capital assets, net of related debt or restricted expendables.

NOTE 2. UTILITY PLANT

Capital asset activity for the year ended December 31, 2024, was as follows:

	Balance January 1, 2024	Additions	Retirements	Balance December 31, 2024
Capital assets, not being depreciated				
Construction in progress	<u>12,427,228</u>	<u>5,558,398</u>	<u>(4,189,930)</u>	<u>13,795,696</u>
Capital assets, being depreciated				
Production	43,034,105	20,170		43,054,275
Transmission	47,271,037	1,767,380	(115,783)	48,922,634
Distribution	85,197,476	4,081,162	(263,784)	89,014,854
General	<u>32,275,427</u>	<u>2,740,269</u>	<u>(1,815,102)</u>	<u>33,200,594</u>
Total capital assets, being depreciated	<u>207,778,045</u>	<u>8,608,981</u>	<u>(2,194,669)</u>	<u>214,192,357</u>

LOUP RIVER PUBLIC POWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 2. UTILITY PLANT (Continued)

	Balance January 1, 2024	Additions	Retirements	Balance December 31, 2024
Less accumulated depreciation for:				
Production	23,461,377	1,053,180		24,514,557
Transmission	28,880,907	1,587,536	(126,615)	30,341,828
Distribution	41,020,626	2,975,761	(369,129)	43,627,258
General	17,434,363	1,152,961	(138,735)	18,448,589
Retirements in progress	<u>(163,801)</u>	<u>(122,639)</u>	<u>65,960</u>	<u>(220,480)</u>
Total accumulated depreciation	<u>110,633,472</u>	<u>6,646,799</u>	<u>(568,519)</u>	<u>116,711,752</u>
Total capital assets, net	<u>109,571,801</u>	<u>7,520,580</u>	<u>(5,816,080)</u>	<u>111,276,301</u>
Capital asset activity for the year ended December 31, 2023, was as follows:				
	Balance January 1, 2023	Additions	Retirements	Balance December 31, 2023
Capital assets, not being depreciated				
Construction in progress	<u>11,376,869</u>	<u>4,655,029</u>	<u>(3,604,670)</u>	<u>12,427,228</u>
Capital assets, being depreciated				
Production	43,034,105			43,034,105
Transmission	46,914,439	405,389	(48,791)	47,271,037
Distribution	81,399,052	4,455,949	(657,525)	85,197,476
General	<u>30,933,172</u>	<u>1,402,344</u>	<u>(60,089)</u>	<u>32,275,427</u>
Total capital assets, being depreciated	<u>202,280,768</u>	<u>6,263,682</u>	<u>(766,405)</u>	<u>207,778,045</u>
Less accumulated depreciation for:				
Production	22,408,700	1,052,677		23,461,377
Transmission	27,439,968	1,541,979	(101,040)	28,880,907
Distribution	39,192,636	2,670,127	(842,137)	41,020,626
General	16,337,667	1,163,098	(66,402)	17,434,363
Retirements in progress	<u>(190,938)</u>	<u>(244,791)</u>	<u>271,928</u>	<u>(163,801)</u>
Total accumulated depreciation	<u>105,188,033</u>	<u>6,183,090</u>	<u>(737,651)</u>	<u>110,633,472</u>
Total capital assets, net	<u>108,469,604</u>	<u>4,735,621</u>	<u>(3,633,424)</u>	<u>109,571,801</u>

LOUP RIVER PUBLIC POWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 2. UTILITY PLANT (Continued)

The 2024 construction and acquisition program is estimated at \$7,301,000 and will be financed from its operations and its reserves.

The total payroll costs allocated to utility plant were \$1,168,340 in 2024, and \$1,117,175 in 2023.

Annual Rates of Depreciation

Production	1.00 - 3.00%
Transmission plant	2.50 - 3.33%
Distribution plant	2.50 - 6.67%
General plant	2.00 - 20.00%

The depreciation provisions were as follows:

	2024	2023
Charged to depreciation expense	6,575,675	6,237,196
Charged to clearing and other accounts	476,089	473,011
	<u>7,051,764</u>	<u>6,710,207</u>

NOTE 3. OWNERSHIP OF ELECTRIC DISTRIBUTION SYSTEM

Certain statutes of Nebraska law provide that after December 31, 1971, when a public power district has no outstanding bonds or other obligations relating to the acquisition of its electric distribution system property within the territorial limits of a municipality, the municipality may obtain, without cost, all of the District's rights, title, and interest in such properties. Five of the 22 municipalities in which the District operates on a retail basis have title to the electric distribution system within their territorial limits.

In 1996 and 1997, five municipalities purchased additional portions of the electric distribution system between their 1972 territorial limits and their territorial limits at the time of their purchase. The District continues to account for the cost of these properties in the same manner as those to which it retains title.

The District has entered into contractual arrangements with all of the 22 municipalities providing for the continued operation by the District of their electric distribution systems. All 22 contracts run until 2040. The District anticipates these contracts will be renewed in the normal course of business upon their expiration.

Under these arrangements, the District retains the responsibilities of ownership and operation, including the obligation to bear the cost of property additions and maintenance.

LOUP RIVER PUBLIC POWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 4. OTHER PROPERTY

The District purchases various tracts of land within its service area for economic development purposes. The land will be held for future sale. The value of the land, stated at cost, was \$843,835 and \$838,610, as of December 31, 2024 and 2023, respectively.

NOTE 5. REGULATORY RELICENSING COSTS

The District is currently licensed by the FERC to operate its hydroelectric facilities. The District was issued a new 30-year license for its hydroelectric plants with the FERC in May 2017. The cost to license the hydroelectric plants is being amortized on a straight-line basis, monthly, over the license period of 30 years. The net amount of the license cost after amortization as of December 31, 2024, is \$6,298,509.

NOTE 6. RESTRICTED INVESTMENTS - DEBT SERVICE AND RESERVE FUNDS

The indentures under which the revenue bonds were issued (Note 9) provide for the creation and maintenance of certain funds.

The debt reserve funds are invested in United States government securities. Income earned by the Debt Reserve Fund is transferred semi-annually to the Debt Service Fund. The funds held in the Debt Reserve Fund are to be used for any deficiencies which may occur in the Debt Service Fund and applied as payment to the outstanding bonds at final maturity.

Listed below are the balances of the Debt Service and Debt Reserve Funds at December 31, 2024 and 2023:

	2024	2023
Debt Service Fund	3,749	3,708
Debt Reserve Fund	<u>1,300,000</u>	<u>1,300,000</u>
	<u>1,303,749</u>	<u>1,303,708</u>

NOTE 7. CASH AND INVESTMENTS

The following is a summary of the cash and investments at December 31, 2024 and 2023:

	2024	2023
Statement of Net Position Classification		
Cash and cash equivalents	21,648,711	15,640,557
Investments	1,419,361	9,926,413
Restricted Debt Service Fund	3,749	3,708
Restricted Debt Reserve Fund	<u>1,300,000</u>	<u>1,300,000</u>
Total cash and investments	<u>24,371,821</u>	<u>26,870,678</u>

LOUP RIVER PUBLIC POWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 7. CASH AND INVESTMENTS (Continued)

	2024	2023
Composed of:		
Checking, savings, and money market accounts	21,652,460	15,644,265
Certificates of deposit	1,300,000	3,457,891
U.S. government securities	1,419,361	7,768,522
	24,371,821	26,870,678

The indentures under which the revenue bonds were issued provide for the creation and maintenance of certain funds. Funds in the Debt Reserve Fund are restricted for any deficiencies that may occur in the Debt Service Fund and are to be applied as payment to the outstanding bonds at final maturity.

The District is authorized by bond resolution to invest in direct obligations of the U.S. government, obligations of agencies that are guaranteed by the U.S. government, and certificates of deposit of banks insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized with securities held by the pledging bank's agent in the District's name.

The District shall exercise direct supervision and control over all investments utilizing sound fiscal controls and prudent fiduciary practices consistent with appropriate state statute and requirements of the adopted bond resolutions.

The District investments are subject to interest rate risk, custodial credit risk, and concentrations of credit risk.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's bond covenants and state statutes provide limitations in the various types of investments as a means of managing its exposure to fair value losses.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. GASB Statement 40 requires that disclosure be made as to the credit rating of all fixed income securities except obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. All of the District's fixed income securities as of December 31, 2024 and 2023, are obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government.

Custodial Credit Risk (Investments) - The District's investment securities are exposed to custodial credit risk if the securities are uninsured, not registered in the name of the District and are held by either the counterparty or the counterparty's trust department or agent not in the District's name. The investment risk is that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the sale of the investment or collateral securities that are in the possession of the outside party. As of December 31, 2024 and 2023, the District's investments are uninsured and held by the counterparty's agent in the District's name.

LOUP RIVER PUBLIC POWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 7. CASH AND INVESTMENTS (Continued)

Custodial Credit Risk (Deposits) - All funds of the District are deposited in board-designated official depositories and are required to be collateralized in accordance with Nebraska statutes. Official depositories may be established with any bank whose principal office is located in Nebraska. Also, the District may establish time deposit accounts, money market accounts, and certificates of deposit. Nebraska statutes require all depositories to collateralize public deposits in excess of federal depository insurance coverage.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. All deposits were fully insured or collateralized at December 31, 2024.

NOTE 8. PAYMENTS TO GOVERNMENTAL SUBDIVISIONS

The District is exempt from federal and state income taxes and local property taxes; however, the District makes payments to counties aggregating 5% of its gross operating revenues derived from services within municipalities located in those counties. In addition, under agreements described in Note 3, the District pays municipalities served, 11% of the adjusted annual gross revenues collected from customers within their respective distribution system limits.

NOTE 9. LONG-TERM DEBT

Substantially all of the revenues of the District are pledged for the bonds subject to prior payment of operating expenses. The pledge does not provide for any lien upon the physical assets of the District constituting the Electric System. Unamortized bond premiums and discounts total \$12,187 and \$86,165 for December 31, 2024 and 2023, respectively.

	2024 Balance	2023 Balance
--	-----------------	-----------------

Electric System Revenue Refunding Bonds, Series 2016

The District issued Electric System Revenue Refunding Bonds, Series 2016 during May 2016, in the amount of \$17,285,000. Proceeds were used to refund \$18,720,000 aggregate principal amount of the Series 2007 Bonds on December 1, 2017. Principal and interest are payable semi-annually on June 1 and December 1 at 2.00% - 5.00% through the year 2026. The bonds are callable at par value on or after December 2025.

	4,500,000	6,615,000
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LOUP RIVER PUBLIC POWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 9. LONG-TERM DEBT (Continued)

	2024 Balance	2023 Balance
<u>Electric System Revenue Refunding Bonds, Series 2020</u>		
<p>The District issued Electric System Revenue Refunding Bonds, Series 2020 during July 2020, in the amount of \$6,460,000. These bonds were a direct placement. Proceeds were used to refund \$9,035,000 aggregate principal amount of the Series 2012 Bonds on July 24, 2020. Principal and interest are payable semi-annually on June 1 and December 1 at 1.34% through the year 2026.</p>		
	<u>2,255,000</u>	<u>3,345,000</u>
Total bonds payable	6,755,000	9,960,000
Bond premiums and discounts	12,187	86,165
Less current maturities	<u>(3,340,000)</u>	<u>(3,205,000)</u>
Total long-term debt	<u>3,427,187</u>	<u>6,841,165</u>

A schedule of changes in long-term debt is as follows:

	Balance at Beginning of Year	Additions	Retirements	Balance at End of Year	Current Portion
Revenue bonds payable					
December 31, 2024	<u>9,960,000</u>	<u> </u>	<u>3,205,000</u>	<u>6,755,000</u>	<u>3,340,000</u>
December 31, 2023	<u>13,035,000</u>	<u> </u>	<u>3,075,000</u>	<u>9,960,000</u>	<u>3,205,000</u>

Maturities on long-term debt for the succeeding years are estimated as follows:

Years Ending December 31,	Revenue Bonds	Interest	Total
2025	3,340,000	120,217	3,460,217
2026	<u>3,415,000</u>	<u>60,776</u>	<u>3,475,776</u>
	<u>6,755,000</u>	<u>180,993</u>	<u>6,935,993</u>

The District is in compliance with covenant provisions of the bond resolutions.

LOUP RIVER PUBLIC POWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 10. LEASES

The District has lease agreements with 22 towns for lease of the town owned utility systems including poles, wires, transformers, and meters. The District collects a lease payment currently at 11% of gross revenues derived from the respective towns as established by contracts with the towns. This payment is remitted back to the communities quarterly. Contracts range from 15 - 20 years, and expire through 2040. The lease payments are variable and based solely on revenues, accordingly, there are no minimum lease payments to consider. The District is generally responsible for routine updates and maintenance.

The lease amounts for 2024 and 2023 were \$5,990,109 and \$5,895,685, respectively.

NOTE 11. ACCRUED EXPENSES

Accrued expenses consist of the following:

	2024	2023
Gross revenue taxes	239,474	230,581
Insurance reserve	337,838	488,571
Interest on long-term debt	10,018	20,048
Accrued vacation	844,478	876,344
Accrued sick leave **	2,714,501	2,577,406
Payroll and payroll taxes	11,945	18,542
Other accrued expenses	<u>223,038</u>	<u>268,360</u>
	4,381,292	4,479,852
Noncurrent	<u>2,249,407</u>	<u>2,577,406</u>
Current	<u><u>2,131,885</u></u>	<u><u>1,902,446</u></u>

The accrued sick leave is recorded when the employees earn the time off and when it is more likely than not they will use the benefit. The District calculates the amount based on the employee's payrate in effect as of the date of the financial statements and includes associated employee-related costs.

	Balance at Beginning of Year	Additions *	Retirements	Balance at End of Year	Current Portion
Accrued sick leave	<u>2,577,406</u>	<u>137,095</u>	<u> </u>	<u>2,714,501</u>	<u>465,094</u>

*The change in sick leave liability is presented as a net change.

** See restatement disclosure at Note 17

NOTE 12. RETIREMENT PLANS

The District offers a retirement program to its employees that consists of the Loup River Public Power District Basic Thrift Savings Plan (Savings Plan).

LOUP RIVER PUBLIC POWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 12. RETIREMENT PLANS (Continued)

The District contributes as a single employer to the Savings Plan. Substantially all employees having completed one year of service and attained age 21 are eligible. Employee contributions to the Savings Plan qualify for Internal Revenue Code section 401(k) treatment.

Employees in the Savings Plan may elect to contribute 3% - 5% of their annual compensation. The District contributes two times the percentage of the employee's contribution, not to exceed a total maximum contribution of 10% to the Savings Plan. Employees may also elect additional salary reduction contributions up to the maximum limits allowed by the Internal Revenue Service. The District does not match any portion of the additional salary reduction contributions.

The District's total payroll for full-time employees was \$11,224,248 for 2024, and \$10,340,016 for 2023. The District's covered payroll for the Savings Plan is shown below:

	Covered Payroll	Employer Amount	Employer Contribution as a Percent of Covered Payroll	Employee Amount	Employee Contribution as a Percent of Covered Payroll
2024	10,498,987	987,712	9.4	1,193,902	11.4
2023	9,903,869	929,319	9.4	1,139,944	11.5
2022	9,279,577	894,738	9.6	1,097,190	11.8

NOTE 13. POSTRETIREMENT BENEFITS

In an effort to enhance the understandability and usefulness of the Other Post-employment Benefits (OPEB) information that is included in the financial reports of OPEB plans for state and local governments, the GASB has issued Statement 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions* (effective for fiscal years beginning after June 15, 2017), which replaces the requirements of Statement 45.

GASB Statement 75 establishes financial reporting standards for state and local governmental employers whose employees are provided with OPEB. The statement requires financial statements and accompanying notes disclosing information relative to the funded status of the plan, OPEB accounting expense, historical contribution patterns, and certain other information.

Plan Administration

The District administers an OPEB plan providing medical, prescription drug, and life insurance benefits to retired employees and their dependents under certain conditions. The District does not issue a separate report that includes financial statements and required supplementary information for the OPEB plan.

LOUP RIVER PUBLIC POWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 13. POSTRETIREMENT BENEFITS (Continued)

Benefits Provided

Individuals who are employees of Loup River Public Power District or are on the Board of Directors and are enrolled in the District's group health plan on the date before retirement are eligible to continue healthcare benefits upon retirement from service with the District on or after age 55. Part-time employees are assumed not to be eligible for retiree health or life insurance benefits. Retirees covered by the plan make contributions toward the plan premiums in certain instances.

Plan Membership

As of January 1, 2024, plan membership consisted of the following:

Inactive members currently receiving benefits	98
Inactive members entitled to but not yet receiving benefits	- 0 -
Active members	<u>123</u>
Total	<u>221</u>

Investment Policy

The District's obligation is unfunded at December 31, 2024. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Total OPEB Liability

	As of December 31, 2023 *
Actuarial Present Value of Future Benefits	
Retired - employees	6,124,591
Retired - spouses/dependents	6,742,590
Actives - employees	10,231,133
Actives - spouses/dependents	<u>9,372,355</u>
Total	<u>32,470,669</u>
Total OPEB Liability	
Retired - employees	6,124,591
Retired - spouses/dependents	6,742,590
Actives - employees	6,292,592
Actives - spouses/dependents	<u>5,760,279</u>
Total	<u>24,920,052</u>

*Assumes all actuarial assumptions are exactly realized. Update procedures were used to roll forward Total OPEB liability to the December 31, 2024, measurement date from the January 1, 2024, valuation date.

LOUP RIVER PUBLIC POWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 13. POSTRETIREMENT BENEFITS (Continued)

Investment Policy (Continued)

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75, so the net fiduciary position is \$- 0 - and the net OPEB liability would be equal to the total OPEB liability.

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability, calculated using the current healthcare cost trend rate of 5.0% decreasing to 4.0%, as well as the total OPEB liability calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	21,777,350	24,920,052	28,978,973

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using the current discount rate of 3.72%, as well as the total OPEB liability calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	28,538,700	24,920,052	22,030,949

Schedule of Changes in Total OPEB Liability

	Fiscal Year Ending December 31, 2023*
Total OPEB liability - beginning of year	28,596,831
Service cost	550,306
Interest	913,810
Difference between expected and actual experience	1,413,135
Changes of assumptions/methodology	(5,436,980)
Benefit payments	(1,117,050)
Net change in total OPEB liability	<u>(3,676,779)</u>
Total OPEB liability - end of year	<u>24,920,052</u>
Covered-employee payroll	9,749,846
Total OPEB liability as a percentage of the covered-employee payroll	255.59%

LOUP RIVER PUBLIC POWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 13. POSTRETIREMENT BENEFITS (Continued)

Schedule of Changes in Total OPEB Liability (Continued)

*Assumes all actuarial assumptions are exactly realized. Update procedures were used to roll forward the Total OPEB liability to the December 31, 2024, measurement date from the January 1, 2024, valuation date.

OPEB Expense	Fiscal Year Ending December 31, 2023*
Service cost	550,306
Interest on total OPEB liability	913,810
Recognition of deferred (inflows)/outflows of resources	
Economic/demographic (gains)/losses**	390,086
Assumption changes	<u>6,816</u>
Total OPEB expense	<u>1,861,018</u>

**Economic/demographic (gains) and losses for the period ending December 31, 2024, should be adjusted by an amortization of the difference between actual and expected employer contributions.

Expected Remaining Service Lives

Under GASB 75, gains and losses which are amortized over future years are referred to as deferred inflows or gains and deferred outflows or losses. Economic and demographic gains and losses and changes in the total OPEB liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. The amortization period is calculated as the weighted average of expected remaining service lives assuming zero years for all inactive members.

The amortization period for the January 1, 2024 - December 31, 2024, measurement period was determined as follows:

	Number of Members	Expected Remaining Service Lives
As of January 1, 2023		
Active members	123	13.908
Inactive members	98	
Weighted Average Rounded to Nearest Tenth		7.7

LOUP RIVER PUBLIC POWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 13. POSTRETIREMENT BENEFITS (Continued)

Deferred Inflows and Outflows of Resources

Under GASB 75, gains and losses which are amortized over future years are referred to as deferred inflows or gains and deferred outflows or losses. Economic and demographic gains and losses and changes in the total OPEB liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. As of December 31, 2024, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience*	(478,852)	1,901,575
Changes of assumptions	(5,557,913)	2,989,743
Net difference between projected and actual earnings	-0-	-0-
Contributions made subsequent to measurement date	<u>TBD</u>	<u>TBD</u>
Total	<u>(6,036,765)</u>	<u>4,891,318</u>

*Economic/demographic (gains) and losses for the period ending December 31, 2023, should be adjusted by the unamortized balance of the difference between actual and employer contributions.

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future years' OPEB expense as follows:

Year Ending December 31,	Annual Recognition
2025	(10,889)
2026	21,338
2027	(141,838)
2028	(522,577)
Thereafter	(888,383)

LOUP RIVER PUBLIC POWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 13. POSTRETIREMENT BENEFITS (Continued)

Schedule of Deferred Inflows and Outflows of Resources

	Original Amount	Date Established	Original Recognition Period*	As of December 31, 2023		
				Amount Recognized in Expense	Balance of Deferred Inflows	Balance of Deferred Outflows
Economic/ Demographic (Gains)/losses	1,413,135 (867,109) 2,351,869	12/31/2023 ** 12/31/2021 12/31/2019	7.7 6.7 7.0	183,524 (129,419) 335,981		1,229,611 (478,852) 671,964
				<u>390,086</u>	<u>(478,852)</u>	<u>1,901,575</u>
Assumption Changes (Gains)/losses	(5,436,980) 4,511,338 (2,894,614) 3,217,001	12/31/2023 12/31/2021 12/31/2019 12/31/2018	7.7 6.7 7.0 7.1	(706,101) 673,334 (413,516) 453,099	(4,730,879) (827,034)	2,491,336 498,407
				<u>6,816</u>	<u>(5,557,913)</u>	<u>2,989,743</u>

*Economic/demographic (gains) and losses along with assumption changes are recognized over a closed period equal to the weighted average of expected remaining service lives for all active and inactive members. Investment (gains) and losses are recognized over a closed, fixed five-year period.

**Economic/demographic (gains) and losses for the period ending December 31, 2024, should be adjusted by the difference between actual employer contributions for the period of January 1, 2024 - December 31, 2024, and the expected employer contribution of \$1,117,050.

NOTE 14. RISK MANAGEMENT

Potential significant losses were covered by commercial insurance for all major programs except the employee's long-term disability insurance plan prior to December 1, 2004. This benefit plan was self-insured by Loup River Public Power District during 2024 and 2023. Payments of \$25,676 and \$25,480 were made by the District during 2024 and 2023, respectively, for this self-insurance plan. Effective December 1, 2004, the District began self-insuring the general liability and the workers' compensation risks. The District has established reserve funds for these self-insurance plans by accruing a monthly expense for each type of risk. The District discontinued accruing costs each month beginning March 2009. The District resumed the monthly accruals in 2013 as the liability accounts fell below their established minimums in 2012. The District added \$180,000 and \$36,000 to the worker's compensation liability account in 2024 and 2023, respectively, and \$- 0 - and \$- 0 - to the general liability account in 2024 and 2023, respectively. The District will continue to replenish the reserves until they each reach their established minimums. The District incurred claims of \$329,594 in 2024 and \$122,558 in 2023 for their workers' compensation risk and \$1,139 in 2024 and \$(913) in 2023 for their general liability risk.

LOUP RIVER PUBLIC POWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 14. RISK MANAGEMENT (Continued)

At December 31, 2024, the workers' compensation reserve had a balance of \$(29,988) and the general liability reserve had a balance of \$367,826. The workers' compensation balance is below the established minimum reserve amount set by the Board of Directors of \$400,000. The general liability balance is above the established minimum reserve amount set by the Board of Directors of \$300,000.

NOTE 15. COMMITMENTS

The District has a hydroelectric purchase power agreement with the Nebraska Public Power District (NPPD) through December 31, 2035, whereby NPPD purchases all production of the District's electric generating system (144,965 and 152,939 megawatt hours in 2024 and 2023, respectively). A wholesale power contract provides that the District will purchase all of its power requirements (1,230,899 and 1,226,163 megawatt hours in 2024 and 2023, respectively), from NPPD during that same period. These totals include purchased power that the District contracted to purchase from Bluestem Energy Solutions, LLC, in 2015 generated by four wind turbines through December 2040, in accordance with provisions allowed by NPPD. The District signed an additional contract with Bluestem Energy Solutions, LLC, in November 2015, to purchase power generated by three new wind turbines through 2041, which were constructed in 2018.

NOTE 16. STORM EVENT

On and after March 13, 2019, the service territory of the District experienced a storm event caused by rain, snow, ice, wind, water, and frozen ground due to natural conditions. The storm caused damage to District facilities, equipment, and the canal system that supplies water to generate electricity at our hydroelectric plants. An assessment of the entire damage was made and estimated to be \$20 - \$25 million.

The District has been working with Nebraska Emergency Management Agency (NEMA) to receive federal reimbursement for the damage up to 95% of eligible costs. As of December 31, 2024, the District has received \$4,384,797 in reimbursement from NEMA.

The costs for the storm damage are being capitalized and will be depreciated as projects are completed. The total costs incurred through December 31, 2024, are \$11.2 million.

NOTE 17. RESTATEMENT

The January 1, 2023, unrestricted net position was reduced by \$2,458,133 for additional sick leave accrual as a result of adoption of GASB 101, Compensated Absences.

	2023
Unrestricted net position, beginning of year	114,291,301
Restatement for new accounting pronouncement	(2,458,133)
Unrestricted net position, beginning of year, restated	111,833,168

LOUP RIVER PUBLIC POWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 18. SUBSEQUENT EVENT

In preparing the financial statements, the District has evaluated events and transactions for potential recognition or disclosure through March 18, 2025, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

LOUP RIVER PUBLIC POWER DISTRICT
COLUMBUS, NEBRASKA
CALCULATION OF DEBT SERVICE COVERAGE
IN ACCORDANCE WITH REVENUE BOND RESOLUTIONS
ALL ISSUES
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
DEBT SERVICE COVERAGE		
Increase (decrease) in net assets	(133,002)	(758,094)
Depreciation charged to operations	6,575,675	6,237,196
Depreciation charged to other accounts	476,089	473,011
Interest on debt expense	230,544	345,780
Amortization of debt costs and premium discounts	<u>(47,249)</u>	<u>(108,924)</u>
Net available for debt service	<u>7,102,057</u>	<u>6,188,969</u>
 Total debt service	 <u>3,445,573</u>	 <u>3,430,344</u>
 Debt service coverage	 <u>2.06</u>	 <u>1.80</u>
 Required minimum for new issues	 <u>1.10</u>	 <u>1.10</u>
 Excess	 <u>0.96</u>	 <u>0.70</u>

LOUP RIVER PUBLIC POWER DISTRICT
COLUMBUS, NEBRASKA
CALCULATION OF 2016 DEBT SERVICE COVERAGE
IN ACCORDANCE WITH REVENUE BOND RESOLUTION
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
SCHEDULE OF DEBT RESERVE REQUIREMENTS		
DEBT RESERVE FUND AT DECEMBER 31	<u>1,300,000</u>	<u>1,300,000</u>
DEBT RESERVE REQUIRED AMOUNT		
Lesser of the following:		
The maximum amount of debt service payable in		
Principal	2,275,000	2,275,000
Interest	<u>45,500</u>	<u>45,500</u>
Total debt service payable	<u>2,320,500</u>	<u>2,320,500</u>
125% of the average annual debt service payable		
Principal	4,500,000	6,615,000
Interest	<u>135,500</u>	<u>331,250</u>
Total debt service payable	4,635,500	6,946,250
Years of issue	2	3
Factor	<u>1.25</u>	<u>1.25</u>
Average annual debt service payable times 1.25	<u>2,897,188</u>	<u>2,894,271</u>
10% of the original issue price for the 2016 bonds		
Original issue price	<u>17,285,000</u>	<u>17,285,000</u>
10% of the original issue price	<u>1,728,500</u>	<u>1,728,500</u>
Amount designated in bond resolution	<u>1,300,000</u>	<u>1,300,000</u>
REQUIRED DEBT RESERVE FUND BALANCE	<u>1,300,000</u>	<u>1,300,000</u>

The 2016 Bond resolution allows the District to maintain a minimum reserve of \$1,300,000. As shown above, the District has met this requirement.

OTHER INFORMATION

LOUP RIVER PUBLIC POWER DISTRICT
 COLUMBUS, NEBRASKA
 HISTORY OF ACCOUNTS SERVED AND PEAK BILLING DEMAND
 (UNAUDITED)
 YEARS ENDED DECEMBER 31, 2024, 2023, AND 2022

HISTORY OF ACCOUNTS SERVED

	2024			2023			2022		
	Average Number of Customers	Revenues	kWh	Average Number of Customers	Revenues	kWh	Average Number of Customers	Revenues	kWh
Residential	16,191	25,351,000	239,408,678	16,102	25,563,494	254,602,605	16,047	25,251,145	254,288,536
Commercial	3,357	17,487,345	166,331,311	3,341	16,935,530	169,094,320	3,298	16,373,228	164,368,995
Industrial	595	41,211,124	633,215,661	592	42,021,695	623,557,768	588	42,783,913	657,045,905
Municipal	511	4,011,130	47,373,519	512	3,703,425	45,382,789	509	3,590,791	43,914,707
Totals	<u>20,654</u>	<u>88,060,599</u>	<u>1,086,329,169</u>	<u>20,547</u>	<u>88,224,144</u>	<u>1,092,637,482</u>	<u>20,442</u>	<u>87,999,077</u>	<u>1,119,618,143</u>

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PEAK BILLING DEMAND

Calendar Year	Peak Demand (KW)
2024	250,430
2023	236,065
2022	269,539
2021	243,231
2020	231,184

LOUP RIVER PUBLIC POWER DISTRICT
COLUMBUS, NEBRASKA
TOP RETAIL CUSTOMERS SERVED
(UNAUDITED)
YEAR ENDED DECEMBER 31, 2024

Customer	Industry	Revenues	Percent of Total Revenues
Archer Daniels Midland	Agriculture	20,245,579	19.62
Becton-Dickinson	Needles and syringes	12,744,985	12.35
Vishay Dale Electronics	Electronics	1,885,991	1.83
Lindsay Mfg. Co.	Irrigation equipment	1,427,055	1.38
Columbus Community Hospital	Healthcare	974,295	0.94
City of Columbus	Municipality	965,955	0.94
Behlen Mfg. Co.	Steel buildings, ag. equipment	915,414	0.89
Columbus City Schools	Education	779,587	0.76
Preferred Sands	Mining	771,371	0.75
Central Valley Ag	Agriculture	<u>518,612</u>	<u>0.50</u>
Total Larger Electric Users		<u><u>41,228,844</u></u>	<u><u>39.96</u></u>
Total 2024 Revenues		<u><u>103,171,741</u></u>	



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH CERTAIN PROVISIONS OF THE BOND RESOLUTIONS

To the Board of Directors
Loup River Public Power District
Columbus, Nebraska

We have audited, in accordance with generally accepted auditing standards, the statements of net position of Loup River Public Power District as of December 31, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and have issued our report thereon dated March 18, 2025.

In connection with our audits, nothing came to our attention that caused us to believe that Loup River Public Power District failed to comply with the covenants, agreements, or conditions of the Loup River Public Power District Electric System Revenue Bonds Resolution providing for issuance of revenue bonds, Series 2016, adopted during September of 2016; insofar as it relates to financial and accounting matters. However, our audits were not directed primarily toward obtaining knowledge of noncompliance with the Bond Resolutions. The financial statements of Loup River Public Power District contain bond covenant ratios on the schedule of calculation of debt service coverage in accordance with revenue bond resolutions.

This report is intended solely for the information and use of the Board of Directors and management of Loup River Public Power District; Public Financial Management, Des Moines, Iowa; the Depository Trust Company, New York, New York; Wells Fargo Securities, LLC, Omaha, Nebraska; and others associated with the aforementioned revenue bonds, and should not be used for any other purpose.

Dana F. Cole + Company, LLP

Grand Island, Nebraska
March 18, 2025



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Loup River Public Power District
Columbus, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Loup River Public Power District, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Loup River Public Power District's basic financial statements, and have issued our report thereon dated March 18, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Loup River Public Power District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Loup River Public Power District's internal control. Accordingly, we do not express an opinion on the effectiveness of Loup River Public Power District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Loup River Public Power District's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Loup River Public Power District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have

a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Loup River Public Power District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Loup River Public Power District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dana J Cole + Company, LLP

Grand Island, Nebraska
March 18, 2025

LOUP RIVER PUBLIC POWER DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2024

There were no findings for the year ended December 31, 2024.

LOUP RIVER PUBLIC POWER DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2024

There were no findings for the year ended December 31, 2023.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a brief description of certain provisions of the Resolution. Such description does not purport to be comprehensive or definitive. All references to the Resolution and the Bonds are qualified in their entirety by reference to the Resolution and all references to the Bonds in this Official Statement are qualified in their entirety by reference to the definitive form of such bonds and other information relating to the Bonds included in the Resolution. Copies of the Resolution are available from the Municipal Advisor to the District and the District. Certain provisions of the Resolution are summarized in other parts of this Official Statement.

Definitions

“**Accountant’s Certificate**” shall mean a certificate signed by an Independent Accountant.

“**Act**” shall mean Chapter 70, Article 6, Reissue Revised Statutes of Nebraska, as amended.

“**Additional Bonds**” means Bonds, if any, hereafter issued by the District pursuant to the provisions of the Resolution.

“**Aggregate Debt Service**” for any period means, as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all Bonds and (if the context implies or requires) Parity Obligations.

“**Authorized Officer of the District**” shall mean the President and Chief Executive Officer or the Vice President of Administrative Services Manager of the District or any other officer or employee of the District authorized to perform specific acts or duties by resolution duly adopted by the Board.

“**Board**” shall mean the board of directors of the District.

“**Bondholder**” or “**Holder of Bonds**” or “**Owner of Bonds**” or “**Owner**” or “**Registered Owner**” or “**Holder,**” or any similar term, shall mean any person who shall be the registered owner of any Bond.

“**Bonds**” shall mean any bonds, notes or other obligations or evidences of indebtedness, as the case may be, authenticated and delivered and Outstanding pursuant to the Resolution, including the Series 2025 Bonds, but shall not mean Parity Obligations or subordinated indebtedness.

“**Business Day**” shall mean any day other than a Saturday, Sunday or legal holiday or a day on which banking institutions located in Nebraska or, if other than Nebraska, the state in which the principal office of the Registrar is located are authorized by law to close.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

“**Counsel’s Opinion**” shall mean an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the District. Any Counsel’s Opinion may be based, insofar as it relates to factual matters or information which is in the possession of the District, upon a certificate of an Authorized Officer of the District, unless such attorney knows, or in the exercise of reasonable care should have known, that such certificate is erroneous.

“**Debt Reserve Fund**” shall mean any Electric System Debt Reserve Fund established pursuant to the Resolution, in which there shall be established an Account for each series of Bonds issued pursuant to the Resolution.

“**Debt Reserve Fund Deficiency**” shall mean, as of any Valuation Date and with respect to a series of Bonds, the amount, if any, by which the Debt Reserve Requirement for such series of Bonds exceeds the amount in the account in the Debt Reserve Fund (valued in accordance with the Resolution) established for such series of Bonds.

“**Debt Reserve Requirement**” shall mean with respect to any series of Bonds or Parity Obligations, such amount as may be determined by the District not to exceed the least of (1) 10% of the stated principal amount of such series of Bonds or Parity Obligations, (2) the maximum annual debt service for such series of Bonds or Parity Obligations during any fiscal year, or (3) 125% of the average annual debt service for the such series of Bonds or Parity Obligations over the term thereof. If the aggregate initial offering price of such series of Bonds or Parity Obligations to the public is less than 98% or more than 102% of par, such offering price shall be used in clause (1) in lieu of the stated principal amount. The Debt Reserve Requirement with respect to the Series 2025 Bonds shall be \$_____.

“**Debt Service**” for any period means, as of any date of calculation and with respect to any Bonds and Parity Obligations, an amount equal to the sum of (a) interest accruing during such period on Bonds and Parity Obligations, except to the extent that such

interest is to be paid from deposits in the Debt Service Fund made from the proceeds of Bonds, subordinated indebtedness or other evidences of indebtedness of the District (including amounts, if any, transferred thereto from the Project Fund) or from the proceeds of such Parity Obligations and (b) that portion of each principal installment for such Bonds and Parity Obligations which would accrue during such period if such principal installment were deemed to accrue daily in equal amounts from the next preceding principal installment due date for Bonds and Parity Obligations (or, if (i) there shall be no such preceding principal installment due date or (ii) such preceding principal installment due date is more than one year prior to the due date of such principal installment, then, from a date one year preceding the due date of such principal installment or from the date of issuance of the Bonds or Parity Obligations, whichever date is later). Such interest and principal installments for Bonds and Parity Obligations shall be calculated on the assumption that (A) no Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each principal installment on the due date thereof, and (B) no principal installment with respect to any Parity Obligation will be paid except by reason of the payment of such principal installment on the due date thereof.

“Debt Service Deposit Date” shall mean the fifth Business Day prior to each Payment Date.

“Debt Service Fund” shall mean the Electric System Debt Service Fund, established in the Resolution.

“District” shall mean Loup River Public Power District, in the State of Nebraska, and its successors and assigns.

“Electric System” means all properties and assets, and interests in properties and assets, real and personal and tangible and intangible, of the District now or hereafter existing used for or pertaining to (a) the generation, transmission, distribution and sale of electric power and energy or (b) such other activities and transactions as the District shall from time to time determine, and shall be broadly construed to encompass and include all Projects, and all electric production, transmission, distribution, conservation, load management, general plant and other related facilities, equipment or property and any mine, well, pipeline, plant, structure or other facility for the development, production, manufacture, storage, fabrication or processing of fossil, nuclear or other fuel of any kind or any facility or rights with respect to the supply of water, in each case for use, in whole or in major part, in any of the District’s electric generating plants, now existing and hereafter acquired by lease, contract, purchase or otherwise or constructed by the District, including any interest or participation of the District in any such facilities or any rights to the output or capacity thereof, together with all additions, betterments, extensions and improvements to said Electric System or any part thereof hereafter made and together with all lands, easements and rights of way of the District and all other works, property or structures of the District and contract rights and other tangible and intangible assets of the District used or useful in connection with or related to said Electric System, including without limitation a contract right or other contractual arrangement for the long-term or short-term interconnection, interchange, exchange, pooling, wheeling, transmission, purchase or sale of electric power and energy and other similar arrangements with entities having generation and transmission capabilities and located within or without the District or the State of Nebraska. Without limiting the generality of the foregoing, the term “Electric System” shall include (1) the properties and assets for the generation, transmission and distribution and sale of electric power and energy owned by the District on the date of passage of the Resolution and (2) all additions, extensions, expansions, improvements, betterments and equipments hereafter made thereto.

“Escrow Obligations” shall mean:

(a) cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (b) below); and/or

(b) non-callable direct obligations of (including obligations issued or held in book-entry form on the books of) the Department of the Treasury of the United States of America or non-callable obligations the principal and interest on which is fully guaranteed by the United States of America; and/or

(c) evidences or a direct ownership in future interest or principal payments on obligations described in subparagraph (b) above.

“Event Notice” shall have the meaning set forth under “Events of Default; Remedies” in this Appendix C.

“Fiscal Year” shall mean any period of 12 consecutive months adopted by the District as its fiscal year for financial reporting purposes, and initially means the period beginning January 1 of each year and ending December 31 of the same year.

“Government Securities” shall mean securities which consist of (a) direct obligations of, or obligations the timely payment of the principal of and interest on which is fully guaranteed by, the United States of America or (b) evidences of a direct ownership in future interest or principal payments on obligations of the type described in (a) above.

“Independent Accountant” shall mean the independent certified public accountant or accountants retained by the District, who may be the accountant or firm of accountants who regularly audits the books of the District.

“Independent Consultant” means an independent firm, person or corporation recognized as having expertise and with a favorable reputation for special skill and knowledge in the operations and financing of electric light and power facilities and systems similar in size to the Electric System.

“Interest Payment Date” means, with respect to any Series 2025 Bond, June 1 and December 1, beginning December 1, 2025.

“Moody’s” shall mean Moody’s Investors Service, Inc., a Delaware corporation, and its successors and assigns.

“Net Revenues” shall mean Revenues less Operating Expenses paid from Revenues.

“Operating Expenses” shall mean all of the costs and expenses for operation, maintenance, and ordinary repairs, renewals and replacements of the Electric System, including all costs of purchasing, producing and delivering electric power and energy from the Electric System and reserves for items of operation and maintenance expenses the payment of which is not immediately required, and shall include, without limiting the generality of the foregoing, costs of purchased power, fuel costs, costs of transmission service, generating capacity reserve service, regulation, or other interchange and coordination services, rents, administrative and general expenses, engineering expenses, legal, accounting and financial advisory expenses, payments to pension, retirement, health and hospitalization funds, taxes, payments in-lieu-of taxes and other governmental charges, insurance and surety bond premiums including obligations to a stock, mutual or reciprocal insurance company or exchange, and any other current expenses or obligations required to be paid by the District under the provisions of the Resolution or by law or regulation, all to the extent properly allocable to the Electric System, and the fees and expenses of the Registrar. Operating Expenses shall include obligations of the District for a defined purchase price, lease obligations and like payments to the extent the same are treated as operation and maintenance expenses pursuant to generally accepted accounting principles for electric utilities. Operating Expenses shall not include any deferred debits or payments resulting from the purchase or acquisition of certain facilities, customers and/or service areas from Nebraska Public Power District or other political subdivisions. There shall not at any time be included in Operating Expenses any amount to pay or make provisions for the payment of the principal of or interest on any indebtedness of the District maturing more than one (1) year after the date of incurrence thereof, or any allowance for depreciation, obsolescence or amortization of financing expenses.

“Outstanding” shall mean (1) when used as of any date with reference to Bonds, any Bond theretofore or thereupon being authenticated and delivered under the Resolution except (a) any Bond cancelled by the Registrar at or prior to such date; (b) any Bond (or portions of such Bond) for the payment or redemption of which cash or Escrow Obligations shall be held in trust under the Resolution and set aside for such payment or redemption (whether at or prior to the maturity or redemption date) in accordance with the Resolution; and (c) any Bond in lieu of or in substitution for which another Bond or Bonds shall have been authenticated and delivered pursuant to the Resolution; and (2) when used as of any date with reference to Parity Obligations, all Parity Obligations deemed outstanding or not satisfied within the meaning of the instrument authorizing such Parity Obligations.

“Parity Obligations” means any indebtedness or other obligation of the District secured by or having a lien and charge upon, or being payable from, the Net Revenues on a parity with the Bonds.

“Payment Date” shall mean, with respect to any Bond or any premium or interest thereon, the date on which the principal of such Bond or such premium or interest is due and payable, whether at maturity, by call for redemption or declaration of acceleration or otherwise.

“Permitted Investments” shall mean and include any investment to the extent permitted under the applicable laws of the State of Nebraska, and, except as may otherwise be provided in a Supplemental Resolution, shall include, but not be limited to, the following:

(1) Any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any Federal agency to the extent unconditionally guaranteed by the United States of America, and any certificates or any other evidences of an ownership interest in obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in this paragraph (1);

(2) Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (a) which are (i) not callable prior to maturity or (ii) as to which irrevocable instructions have been given to the Registrar of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (b) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in paragraph (1) above which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in (a) of this paragraph (2), as appropriate, (c) as to which the principal of and interest on the bonds and obligations of the character described in paragraph (1) above which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest

and redemption premium, if any, on the bonds or other obligations described in this paragraph (2) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in (a) of this paragraph (2) as appropriate, and any certificates or any other evidences of an ownership interest in obligations or specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in this paragraph (2);

(3) Any bonds or other obligations or specified portions thereof (which may consist of specified portions of the interest thereon) which the General Manager determines are of credit quality essentially equivalent to the investments described in paragraph (1) above, and any certificates or any other evidences of an ownership interest in obligations or specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in this paragraph (3);

(4) Bonds, debentures, or other evidences of indebtedness issued or guaranteed by any agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America;

(5) New housing authority bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or project notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(6) Obligations of any state of the United States of America, or of any agency, instrumentality or local government unit of any such state which are, at the time of purchase, rated by Moody's and Standard & Poor's in either of its two highest whole rating categories, for comparable types of debt obligations;

(7) Certificates of deposit, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of any state of the United States or any national banking association (including the Registrar) or any savings and loan association, in each case, which is an insured depository institution (as defined in 12 U.C.C. §§ 1801 et seq.) provided that the aggregate principal amount of all certificates of deposit issued by any such bank, trust company, national banking association or savings and loan association which are purchased with monies held in any fund or account under the Resolution shall be (a) fully insured by the Federal Deposit Insurance Corporation or (b) secured, to the extent not insured by the Federal Deposit Insurance Corporation, by such securities as are described in paragraphs (1) through (6) or (8) through (11) of this definition having market value (exclusive of accrued interest, other than accrued interest paid in connection with the purchase of such securities) at least equal to the principal amount of such certificates of deposit (or portion thereof not insured by the Federal Deposit Insurance Corporation) which shall be lodged with the Registrar or another fiduciary, as custodian, by such bank, trust company, national banking association or savings and loan association shall furnish the Registrar or the District Treasurer, as the case may be, with an undertaking satisfactory to him or it that the aggregate market value of all such obligations securing such certificates of deposit will at all times be an amount which meets the requirements of this clause (b) and the District Treasurer or the Registrar, as the case may be, shall be entitled to rely on each such undertaking;

(8) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1" by Standard & Poor's and which matures not more than 270 calendar days after the date of purchase;

(9) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by Standard & Poor's;

(10) Any repurchase agreement which is secured by any one or more of the securities described in paragraphs (1), (2), (3), (4), or (5) above;

(11) Interests in a portfolio of debt instruments containing only obligations described in any of the foregoing paragraphs, including, without limitation a mutual fund or a money market fund satisfying the requirements of this paragraph (11); and

(12) Any other obligations which are, at the time of purchase, rated by Moody's and Standard & Poor's or which are guaranteed or provided by an entity which is rated by Moody's and Standard & Poor's in either of its two highest whole rating categories.

"Project" shall mean any electric generation, transmission, distribution and general plant facilities, and all other property, real and personal, of every kind and nature material or pertinent thereto or necessary therefor, located within or without the District or the State of Nebraska, which may be used or useful in the transmission, distribution, sale, purchase, exchange or interchange of electric power and energy, and in the supplying of electric power and energy to all those contracting with the District therefor, as provided in the Act, including any interest therein or right to capacity thereof, and may include, without limitation, a divided or

undivided interest in any electric transmission, distribution or general plant facility in which the District shall participate as an owner in common with others, a contract right or other contractual arrangement for the short-term or long-term provision of electric power and energy, transmission and other services to the District on a prepaid basis and the acquisition of water and fuel of any kind for such purposes, including the acquisition of water rights, fuel deposits and facilities for the development, production, processing, manufacture, fabrication, transportation and storage of water and fuel.

“Project Fund” shall mean the Electric System Project Fund established in the Resolution.

“Rating Agency” shall mean any of the following organizations (or their respective successor organizations): (a) Moody’s; (b) Standard & Poor’s; or (c) such other nationally recognized credit rating organization as may be designated by District.

“Record Date” means, with respect to any Series 2025 Bond, as of the close of business on the fifteenth day (whether or not a business day) immediately preceding an Interest Payment Date.

“Registrar” shall mean the Treasurer of the District, appointed as Bond Registrar and Paying Agent pursuant to the Resolution, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Resolution.

“Resolution” shall mean the Electric System Bond Resolution duly adopted by the District on June 16, 2004, as from time to time amended or supplemented by Supplemental Resolutions.

“Revenues” shall mean all revenues derived by the District from the sale of electric energy, storage of water, water furnished for irrigation, or other service rendered or furnished by the District, and all other revenues, income, receipts and profits of the District which, at any time hereafter, the District may be permitted by law to pledge as security for indebtedness incurred by it, provided, however, that there shall be excluded from Revenues (a) any gain or loss resulting from the early extinguishment of debt, whether or not recognized in the year of such extinguishment or amortized over a period of years, (b) any gain or loss on the sale or other disposition of investments or fixed or capital assets not in the ordinary course of business, and (c) any gain or loss resulting from any reappraisal, revaluation or write-up or write-down of assets.

“Standard & Poor’s” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors and assigns.

“Supplemental Resolution” shall mean a resolution of the District supplemental to, and adopted in accordance with, the Electric System Revenue Bond Resolution, dated as of August 15, 2004.

Medium of Payment and Date, Letters and Numbers

(a) The Bonds shall be payable, with respect to interest, principal and premium, if any, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(b) A series of Bonds shall be dated and shall bear interest payable as set forth in the Supplemental Resolution authorizing their issuance. Notwithstanding any of the foregoing, any interest on any series of Bonds which is payable, but is not punctually paid or duly provided for on any interest payment date, shall be paid to the Holders in whose names such Bonds are registered at the close of business on a special record date established by the Registrar, which shall be 15 days prior to the date of the proposed payment of such interest. The Registrar shall cause notice of any proposed payment of such interest, the proposed payment date and the special record date therefor, to be mailed to each Bondholder not less than 10 days prior to such special record date. After notice is given as aforesaid, such interest shall be paid on the proposed payment date. Subject to the foregoing provisions of this subsection (b), each Bond delivered under the Resolution upon transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

Redemption

The Bonds shall be subject to redemption prior to maturity upon the giving of notice as provided below, at such times, at such redemption premiums and upon such terms contained in the Resolution authorizing a series of Bonds. In the event notice of redemption shall have been given as in the Resolution provided, there shall be paid no later than the redemption date to the Registrar an amount in cash which, in addition to other moneys, if any, available therefor held by such Registrar, will be sufficient to redeem on the redemption date at the principal amount thereof, together with any applicable premium and interest accrued and unpaid to the redemption date, all of the Bonds to be redeemed.

Redemption at the Election or Direction of the District

In the case of any redemption of Bonds at the election or direction of the District, the District shall give written notice to the Registrar of its election or direction so to redeem, of the redemption date and of the principal amounts of the Bonds of each series and each maturity to be redeemed (which series, maturities and principal amounts thereof to be redeemed shall be determined by the District in its sole discretion). Such notice shall be given at least 30 days prior to the redemption date or such shorter period as shall be acceptable to the Registrar.

Redemption Otherwise than at District's Election or Direction

Whenever by the terms of the Resolution Bonds are required to be redeemed otherwise than at the election or direction of the District, the Registrar shall select the Bonds to be redeemed, give the notice of redemption and pay out of moneys available therefor, the principal amount thereof, together with any applicable premium and interest accrued and unpaid to the redemption date, to the Registrar in accordance with the terms of the Resolution.

Notice of Redemption

When the Registrar shall receive notice from the District of its election or direction to redeem Bonds pursuant to the Resolution and when redemption of Bonds is authorized or required, the Registrar shall give notice, in the name of the District, of the redemption of such Bonds, which notice shall specify the series and the maturities of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the principal amount thereof, or the specified portions of the principal thereof with applicable premium, if any, and interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. The Registrar shall mail a copy of such notice by first-class mail, postage prepaid, not less than 30 days before the redemption date, to the registered owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry books, but failure so to mail any such notice to any registered owner shall not affect the validity of the proceedings for the redemption of Bonds as to which no failure exists.

Payment of Redeemed Bonds

Notice having been given by mail in the manner provided in the Resolution, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the principal amount thereof plus the applicable premium, if any, and interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, shall be paid at the principal amount thereof plus the applicable premium, if any, and interest accrued and unpaid to the redemption date. If there shall be drawn for redemption less than all of a Bond, the District shall execute and the Registrar shall authenticate and the Registrar shall deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, Bonds of like series, maturity and interest rate in any of the authorized denominations. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof of any series and maturity to be redeemed, together with interest to the redemption date, shall be held by the Registrar so as to be available therefor on said date and if notice of redemption shall have been mailed as aforesaid, then, from and after the redemption date, interest on the Bonds or portions thereof of such series and maturity so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Tender Offer for Bonds

So long as no Event of Default has occurred and is continuing, if so directed by the District, the Registrar shall offer to purchase on behalf of the District, from the registered owners thereof, all or any portion of the Bonds; provided, however, that the District, simultaneous with such direction to the Registrar, shall have deposited with the Registrar or made arrangements satisfactory to the Registrar to deposit an amount equal to the purchase price of the Bonds to be purchased plus interest to accrue thereon to the date of purchase. The Registrar shall pay the purchase price for Bonds purchased pursuant to this subsection with the moneys so deposited with the Registrar, and any moneys in excess of the purchase price and accrued interest of the Bonds tendered in response to, such offer to purchase shall be repaid to the District. All expenses in connection with the purchase of Bonds pursuant to this subsection shall be paid by the District. The purchase of Bonds pursuant to this subsection will be made in such manner as is agreed to by the Registrar and the District. In purchasing Bonds pursuant to this subsection, the Registrar will be acting on behalf of and as agent for the District, and any moneys held by the Registrar in connection with such purchase of Bonds shall not be considered to be held in any Fund established by the Resolution and shall not be subject to the pledge made by the District in the Resolution.

Pledge of Revenues

For the prompt payment of the Bonds, principal, premium (if any) and interest as the same become due in accordance with their terms and the terms of the Resolution, the District pledges (i) subject to the prior payment of Operating Expenses, all of the Revenues and (ii) all Funds established by the Resolution, including the proceeds of any investment or reinvestment, if any, thereof, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution. The pledge made of the Revenues for the payment of the Bonds is intended to be a full exercise of the powers granted by Section 70-632, Reissue Revised Statutes of Nebraska, as amended, and to provide for a first pledge, lien and security interest with respect to the Revenues for the benefit of the Bonds and the Holders thereof prior in all respects to any other obligation of the District with respect to any other indebtedness, which status as to such pledge may be shared only by the Bonds and any Parity Obligations hereafter incurred. The Bonds are special, limited obligations of the District payable from and secured by the Revenues and Funds pledged therefor. The Bonds shall not be secured by any mortgage or other lien on any part of the tangible properties and assets comprising the Electric System and the District agrees that it will not mortgage, pledge or grant any security interest in any of the tangible properties and assets comprising the Electric System, subject only to the provisions of the Resolution.

The lien, pledge, charges, trusts and assignments made in and by the Resolution shall be valid and binding and shall be deemed to be continuously perfected for purposes of the Uniform Commercial Code from the time of the adoption of the Resolution and the Revenues and the other moneys and securities and Funds thereby pledged shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District, irrespective of whether such parties have notice thereof.

Covenant Against Issuing Superior or Prior Obligations

For so long as any of the Bonds are Outstanding, the District will not create or permit the creation of any indebtedness, or issue any bonds, notes, warrants, certificates or other obligations or evidences of indebtedness payable in any manner from the Revenues which (a) will in any way be superior to the Bonds authorized in accordance with the Resolution, or (b) will in any way be secured by a lien and charge on the Revenues, prior to the lien and charge created herein for the security of the Bonds and Parity Obligations, or (c) will be payable prior to the payments to be made from the Revenues for the payment of the Bonds and Parity Obligations, including the payments to be made into the Debt Service Fund and any account in the Debt Reserve Fund.

Junior Lien or Inferior Obligations Not Prohibited

Nothing in the Resolution shall prevent the District from authorizing and issuing bonds, notes, bond anticipation notes, warrants, certificates or other obligations or evidences of indebtedness (a) the payment of the principal of and interest and premium, if any, on which shall be made from bonds or other evidences of indebtedness of the District or from the Revenues, or from any other special fund to be maintained from the Revenues, and if payable from the Revenues or such other special fund, the payments from the Revenues or into such other special funds shall be expressly made junior and subordinate to the payment of the principal of and interest on the Bonds and the Operating Expenses and the payments and deposits required to be made to the Debt Service Fund by the provisions of the Resolution and into any account in the Debt Reserve Fund; and (b) which are secured as to principal, interest and redemption premium, if any, or if payable from another special fund (as aforesaid) the payments into which other special fund are secured by a lien and charge on the Revenues expressly made junior and inferior to the lien and charge of the Bonds as provided for in the Resolution, which lien shall also be expressly made junior and inferior to the payments to be made from the Revenues into the Debt Service Fund and any account in the Debt Reserve Fund, all as established pursuant to the Resolution.

Funds and Accounts

The Resolution establishes the following funds and accounts:

1. The Electric System Debt Service Fund (the “**Debt Service Fund**”), to be held by the District separate and apart from other funds of the District;
2. The Electric System Debt Reserve Fund (the “**Debt Reserve Fund**”), in which there shall be established an account for each series of Bonds issued pursuant to the Resolution, to be held by the District separate and apart from other funds of the District; and
3. The Electric System Capital Project Fund (the “**Project Fund**”), to be held by the District separate and apart from other funds of the District.

The aforesaid Funds shall be maintained and administered in accordance with the provisions of the Resolution so long as any Bonds remain Outstanding.

Payments into Certain Funds

(a) Until the principal of, premium, if any, and interest on all of the Outstanding Bonds shall be paid in full, it shall be the duty of the District to deposit or cause to be deposited from the Revenues (i) on each Debt Service Deposit Date for each series of Bonds then Outstanding, for credit to the Debt Service Fund, the amount required so that the balance in the Debt Service Fund for payment of principal shall equal the amount of the principal of, and premium, if any, that is due on such series of Bonds on the next ensuing Payment Date therefor; provide that the District shall receive a credit against such deposits for (A) amounts already on deposit in the Debt Service Fund and not previously credited and (B) with respect to the final installment(s) for principal, an amount equal to the amount on deposit in the account in the Debt Reserve Fund established with respect to such series of Bonds, (ii) on each Debt Service Deposit Date for credit to the Debt Service Fund, the amount required so that the balance in the Debt Service Fund for payment of interest on such series of Bonds shall equal the amount of the interest that is due on the next ensuing Payment Date therefor, and (iii) on the date one month after the withdrawal of any amount from the account in the Debt Reserve Fund established for such series of Bonds which causes the amount therein to be less than the Debt Reserve Requirement with respect to such series of Bonds or the date one month after any Valuation Date on which a Debt Reserve Fund Deficiency with respect to any series of Bonds has occurred, and the same date in each of the 11 months thereafter, for credit to such account in the Debt Reserve Fund, an amount equal to one twelfth of such withdrawal or deficiency, until the balance in such account in the Debt Reserve Fund is equal to the Debt Reserve Requirement with respect to the series of Bonds for which such account was established; provided however, that the deposits to any account in the Debt Reserve Fund required by the Resolution shall not be required unless the balance in such account in the Debt Reserve Fund is less than 90% of the Debt Reserve Requirement with respect to the series of Bonds for which such account was established on such Valuation Date by reason of a decline in the market value of the Government Securities held therein.

(b) So long as there shall be held in the Debt Service Fund an amount sufficient to fully pay all Outstanding Bonds in accordance with their terms (including principal and interest thereon), no deposits shall be required to be made into the Debt Service Fund.

Debt Service Fund

(a) The District shall pay out of the Debt Service Fund (up to the amount then on deposit in the Debt Service Fund) to the Registrar for a series of Bonds two (2) Business Days prior to each Payment Date with respect to such series of Bonds, the amount then required to pay the principal of, premium, if any, and interest on such series of Bonds, including any Sinking Fund Installments then falling due. Such amounts shall be applied by the Registrar on and after the due dates thereof to the payment of the principal of, premium, if any, and interest on such series of Bonds. The District shall also pay out of the Debt Service Fund the accrued interest, if any, included in the purchase price of Bonds purchased for retirement.

(b) The amount, if any, deposited in the Debt Service Fund on account of interest accrued prior to date of delivery of a series of Bonds shall be set aside in the Debt Service Fund and applied to the first payment of interest on such series of Series 2025 Bonds as the same becomes due and payable.

Debt Reserve Fund

(a) Upon the issuance of the Series 2025 Bonds, the District shall deposit an amount equal to the Debt Reserve Requirement with respect to the Series 2025 Bonds into the 2025 Debt Reserve Account in the Debt Reserve Fund from the proceeds of the Series 2025 Bonds.

(b) If, on any Payment Date with respect to a series of Bonds, the amount in the account in the Debt Service Fund established for such series of Bonds shall be insufficient to pay the principal of, premium, if any, or interest on such series of Bonds, the District shall deposit amounts from the account in the Debt Reserve Fund established for such series of Bonds to the extent necessary to make good the deficiency. The District shall sell and reduce to cash a sufficient amount of any investments held in such account in the Debt Reserve Fund whenever the cash balance in such account is insufficient to make up any deficiency in the Debt Service Fund with respect to such series of Bonds.

(c) If the value of the cash and investments on deposit in any account in the Debt Reserve Fund shall exceed the Debt Reserve Requirement with respect to the series of Bonds for which such account was established as of any Valuation Date, then the District (i) shall transfer any cash in an amount not exceeding such excess to the Debt Service Fund on or before the next Payment Date with respect to such series of Bonds and (ii) shall sell and reduce to cash any investment, transfer cash in an amount not exceeding such excess to the Debt Service Fund on or before the next Payment Date with respect to such series of Bonds and invest the balance of the cash and provided in the Resolution.

(d) Moneys and investments on deposit in any account in the Debt Reserve Fund shall be held therein until the series of Bonds for which such account was established shall have been paid in full (or shall have been provided for in accordance with the

provisions of the Resolution); provided, however, that upon the final maturity of such series of Bonds, amounts in such account in the Debt Reserve Fund shall be used to pay amounts due on such series of Bonds.

(e) Any other provision of this Resolution to the contrary notwithstanding, the District shall be permitted to substitute a letter of credit, surety bond, or other credit enhancement (each, a “credit facility”) for funds on deposit in any account in the Debt Reserve Fund, provided that:

(i) the credit facility (including any replacement credit facility) is issued by a bank, trust company, national banking association, or insurance company whose unsecured long-term debt obligations (in the case of a bank, trust company, or national banking association) or whose claims paying abilities (in the case of an insurance company) are rated in an “A” rating category or higher by a Rating Agency at the time the credit facility is issued and at the time of each extension or renewal thereof;

(ii) the issuer of the credit facility does not receive as security for any reimbursement obligation in respect of the credit facility any lien, security interest, or other similar right or interest in any property which is superior to the rights of any Bondholder in respect of such property; and

(iii) the credit facility (including any replacement credit facility, if provided by a different issuer) has an initial term of not less than three years and any extension, renewal, or replacement (if provided by the same issuer) thereof has a term of not less than one year.

Upon such substitution, funds on deposit in such account in the Debt Reserve Fund which, when added to the face amount of the credit facility, exceed the Debt Reserve Requirement for the series of Bonds for which such account was established, shall be applied as provided in subsection (c) above. Thereafter, the credit facility shall be considered a part of such account in the Debt Reserve Fund and the amount available thereunder shall be included in any calculations of the amount required to be retained in such account in the Debt Reserve Fund; provided that, (A) if the sum of the amount available under the credit facility and the amount of moneys on deposit in such account in the Debt Reserve Fund exceeds the amount required to be on deposit therein, the District shall be permitted (1) to cause the amount available under the credit facility to be reduced by an amount equal to such excess or (2) to direct that the excess moneys be applied as permitted under subsection (c) above, and (B) if the credit facility is not extended, renewed, or replaced at least six months prior to its scheduled expiration or termination date, unless the requirement to fund such account in the Debt Reserve Fund has been otherwise terminated in accordance with the provisions of the Resolution, the District shall be obligated to draw upon the credit facility at least five (5) Business Days prior to such expiration or termination to restore the difference between such Reserve Fund Requirement and the value of such account in the Debt Reserve Fund computed without regard to the credit facility.

Subordinated Indebtedness

The District may, at any time, or from time to time, issue evidences of indebtedness payable out of, and which may be secured by a pledge of, the Revenues; provided, however, that such pledge shall be, and shall be expressed to be, subordinate in all respects to the pledge of the Revenues, moneys, securities and Funds created by the Resolution in the manner set forth in the Resolution.

Covenants

Payment of the Bonds. The District shall duly and punctually pay or cause to be paid, but solely from the Revenues (after payment of Operating Expenses) and the Funds pledged therefor by the Resolution or from the proceeds of any obligations hereafter issued by the District, the principal of and premium, if any, of every Bond and the interest thereon, on the dates, at the places and in the manner mentioned in the Bonds according to the true intent and meaning thereof. The District shall also duly and punctually pay or cause to be paid, but solely from the Revenues, the amount of any Debt Reserve Fund Deficiency on the dates specified in the Resolution.

General Warranties and Covenants Regarding Authority to Issue Bonds

(a) The District is duly authorized under all applicable laws to create and issue the Bonds and to adopt the Resolution and to pledge the Revenues and other moneys, securities and Funds intended or purported to be pledged by the Resolution in the manner and to the extent provided in the Resolution.

(b) All corporate or other action on the part of the District to create and issue the Bonds and to adopt the Resolution and to effect the pledge of Revenues and other moneys, securities and Funds as specified in subsection (a) above has been and will be duly and validly taken.

(c) The Bonds and the provisions of the Resolution are and will be the valid and legally enforceable obligations of the District in accordance with their terms and the terms of the Resolution.

(d) Upon the date of authentication and delivery of any of the Bonds, all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds shall exist, have happened and have been performed.

(e) The issuance of such Bonds, together with all other indebtedness of the District, shall be within every applicable debt and other limit prescribed by the laws of the State of Nebraska.

Covenants as to Pledge of Revenues and Other Funds; Preservation of Pledge. The District hereby covenants and warrants as follows:

(a) The Revenues and other moneys, securities and Funds pledged in accordance with the provisions of **Section 501** of the Resolution will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto having status prior to the pledge created by the Resolution.

(b) The District shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues and other moneys, securities and Funds pledged under the Resolution and all rights of the Bondholders under the Resolution against all claims and demands of all persons whomsoever.

(c) Except for any pledge, lien, security interest, attachment, charge or encumbrance created by the Resolution relating to the Revenues, the tangible properties and assets comprising the Electric System are free and clear of any pledge, lien, mortgage, security interest, attachment, charge or encumbrance and the District covenants and agrees that, except for the issuance of any Additional Bonds or other obligations in accordance with the Resolution and except as permitted by the Resolution, such tangible properties will remain so for so long as any Bonds remain Outstanding.

Limitations on Additional Secured Indebtedness and Additional Liens. The District shall not issue any bonds or other evidences of indebtedness, other than Additional Bonds and Parity Obligations or other obligations to be issued in accordance with the Resolution or subordinated obligations to be incurred in accordance with the Resolution, payable out of or secured by a pledge of the Revenues or of the moneys, securities or Funds held or set aside by the District or by the Registrar under the Resolution and shall not create or cause to be created any lien or charge on the Revenues or such moneys, securities or Funds; provided, however, that nothing contained in the Resolution shall prevent the District from issuing evidences of indebtedness payable out of, or secured by a pledge of, Revenues to be derived on and after such date as the pledge of the Revenues provided in the Resolution shall be discharged and satisfied as provided in the Resolution.

Payment of Taxes and Charges. The District will from time to time duly pay and discharge, or cause to be paid and discharged, any and all obligations for or on account of which any lien or charge might exist or could be created and all taxes, assessments and other governmental charges, or required payments in lieu thereof, lawfully imposed upon the properties of the District or upon the Revenues, rights, income, receipts, and other moneys, securities and Funds of the District when the same shall become due (including all Revenues, rights, moneys and other property transferred, assigned or pledged under the Resolution), and all lawful claims for labor and material and supplies, except those taxes, assessments, charges or claims which the District shall in good faith contest by proper legal proceedings if the District shall in all such cases have set aside on its books reserves deemed adequate with respect thereto. Whenever called upon to do so, the District will furnish to the Registrar adequate proof of such payment or discharge.

Preservation of Existence and Franchises; Compliance with Laws. Subject to the provisions set forth under the heading "Merger; Consolidation or Sale," the District will do or cause to be done, at its own cost and expense, all things necessary to preserve and maintain its existence as a public power district under the laws of the State, and will, to the extent reasonably necessary for the District to operate the Electric System and provide Revenues sufficient to pay the principal of, premium, if any, and interest on the Bonds, use its best efforts to preserve, extend and renew all franchises, rights of way, easements, permits and licenses now or hereafter to it granted or upon it conferred, and will comply with all valid laws, ordinances, regulations and requirements applicable to it or its property.

Merger, Consolidation or Sale. (a) So long as no Event of Default, or event that with notice or lapse of time, or both, would become an Event of Default, shall have occurred and be continuing, nothing contained in the Resolution or in any of the Bonds shall prevent any consolidations with or merger of the District into any other district or districts (as the term "district" is defined in the Act) or any merger of any other district or districts into the District, or successive consolidations or mergers in which the District or its successor or successors shall be a party or parties, and in which the District may or may not be the surviving district, or shall prevent any sale, conveyance, transfer or other disposition of the Electric System as an entirety or substantially as an entirety, to any other district organized under the laws of the State of Nebraska and lawfully entitled to acquire and operate the same; provided, however, that upon any such consolidation, merger, sale, conveyance, transfer or other disposition the following shall have occurred:

(i) The district formed by such consolidation, or into which the District shall have been merged, or the district that acquires the Electric System, shall execute and deliver, simultaneously with such merger, consolidation or transfer, a Supplemental Resolution containing:

(A) an assumption by such successor district of the due and punctual payment of the principal of and premium; if any, and interest on all the Bonds and the performance and observance of every covenant and condition of the Resolution to be performed or observed by the District, and

(B) a pledge of the character described under the heading "Pledge of Revenues;"

(ii) Immediately after giving effect to such transaction, no Event of Default, and no event that, with notice or lapse of time, or both, would become an Event of Default, shall have occurred and be continuing;

(iii) The District shall have received a written opinion of nationally recognized bond counsel to the effect that such consolidation, merger, conveyance or transfer shall not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes; and

(iv) The District shall have received an unqualified Counsel's Opinion stating that such consolidation, merger, conveyance or transfer and such Supplemental Resolution comply with the Resolution and that all conditions precedent therein provided for relating to such transaction have been complied with.

(b) Upon any consolidation or merger, or any conveyance or transfer of the Electric System substantially as an entirety in accordance with subsection (a) above, the successor district formed by such consolidation or into which the District is merged or to which such conveyance or transfer is made, upon adoption of the Supplemental Resolution referred to in such subsection (a) above, shall succeed to, and be substituted for, and may exercise every right and power of, the District under the Resolution with the same effect as if such successor district had been named as the District.

Sale and Lease of Electric System Property. To the extent and in the manner provided by law, the District may sell, exchange or otherwise dispose of property, facilities and assets of the Electric System at any time and from time to time having a fair market value not to exceed \$20,000,000 annually, as such amount shall be indexed based on the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All items, 1982-84 = 100 (the "CPI") in effect on the date of adoption of the Resolution. Furthermore, the District, to the extent and in the manner provided by law, may lease, contract, or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights to the properties and facilities of the Electric System. The proceeds of any such sale, exchange or disposal of property or facilities shall be used (i) to provide for the payment and redemption of Bonds or Parity Obligations or (ii) to acquire capital assets for any Electric System purpose.

Power to Construct, Operate and Maintain Electric System and to Collect Rates and Fees. The District has, and will have so long as any Bonds are Outstanding, good right and lawful power to own and construct, reconstruct, improve, maintain, extend, operate and repair the Electric System, and to fix and collect rates, fees, rents and other charges in connection therewith.

Operation and Maintenance of the Electric System; Insurance. The District shall, subject to contingencies beyond its reasonable control, at all times (a) keep its Electric System in continuous operation and use all reasonable diligence to furnish the consumers served by it through the Electric System, or any part thereof, with an adequate supply of electric energy and other services furnished by the District and (b) keep and maintain the Electric System in good repair and working order, making from time to time all necessary repairs, renewals and replacements thereto.

The District agrees to carry and maintain a reasonable amount of all-risk insurance upon all of the properties forming a part of the Electric System insofar as the same are of an insurable nature, such insurance to be of the character and coverage and in an amount as would normally be carried by an entity engaged in a similar type of business, and in the event of loss or damage, the District will use the proceeds of such insurance in reconstructing and replacing the property damaged or destroyed, or, if such reconstruction or replacement be unnecessary, then in improving, extending or enlarging the Electric System. The District, in operating the Electric System, shall also carry and maintain public liability and workers compensation insurance in such amounts as would normally be maintained by an entity engaged in a similar type of business, and the proceeds derived from such insurance shall be used in paying the claims on account of which such proceeds were received.

In lieu of obtaining policies for insurance as provided above, the District may self-insure against risks, accidents, claims or casualties described above, or such risks, accidents, claims or casualties may be covered under one or more blanket insurance policies maintained by the District.

Accounts and Reports. (a) The District shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Electric System and each fund and account established under the Resolution, and which, together with all other books and papers of the District, including insurance policies, relating to the Electric System, shall upon reasonable advance notice and during regular business hours, be subject to

the inspection of the beneficial owners of an aggregate of not less than 5% in principal amount of the Bonds and Parity Obligations then Outstanding or their representatives duly authorized in writing.

(b) The Registrar shall advise the District promptly after the end of each Fiscal Year of its transactions during such Fiscal Year relating to all balances handled by it under the Resolution.

Investment of Funds

Except as provided in the Resolution, money held in (a) the Debt Service Fund shall be invested and reinvested by the District in Permitted Investments which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from the Debt Service Fund, (b) any account in the Debt Reserve Fund shall be invested and reinvested by the District in Permitted Investments maturing at such time as shall be deemed appropriate by the District, and (c) the Project Fund shall be held by the District's Treasurer and invested and reinvested in Permitted Investments which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from the Project Fund. Net interest earned on any moneys or investments (i) in the Debt Service Fund shall be paid into such Fund and reinvested until needed for payments from such Fund pursuant to the Resolution, (ii) in any account in the Debt Reserve Fund shall be paid into such account until such account contains the maximum amount required to be maintained therein, and thereafter such interest shall be paid into the Debt Service Fund, and (iii) in the Project Fund shall be paid into such Fund and reinvested until needed for payments from such Fund.

Valuation and Sale of Investments

Obligations purchased as an investment of money in any account or Fund created under the provisions of the Resolution shall be deemed at all times to be a part of such account or Fund and any profit realized from the liquidation of such investment shall be credited to such account or Fund and any loss resulting from the liquidation of such investment shall be charged thereto.

In computing the amount in any account in the Debt Reserve Fund, obligations purchased as an investment of moneys therein shall be valued at the lesser of fair market value or the cost (excluding accrued interest) thereof. Such valuation of such account in the Debt Reserve Fund shall be made (a) as of the Valuation Dates in each year with respect to the series of Bonds for which such account was established and (b) if a Debt Reserve Fund Deficiency has occurred on any Valuation Date, on the next succeeding Payment Date.

Events of Default; Remedies

Events of Default. Each of the following events is defined to be an "Event of Default:"

(a) Default by the District in the due and punctual payment of the principal, or premium, if any, on any Bond (whether at maturity, by acceleration, call for redemption or otherwise);

(b) Default by the District in the due and punctual payment of the interest on any Bond and such default shall continue for a period of thirty (30) days after the due date for the payment of such interest;

(c) Failure of the District to observe and perform any of its other covenants, conditions or agreements under the Resolution or in the Bonds for a period of 90 days after written notice from the Owners of 25 percent in aggregate amount of the Bonds then outstanding, specifying such failure and requesting that it be remedied, or in the case of any such default that cannot with due diligence be cured within such 90 day period, failure of the District to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence;

(d) (1) Failure of the District generally to pay its debts as the same become due, (2) commencement by the District of a voluntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law, (3) consent by the District to the appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official for the District, the Electric System or any substantial part of the District's property, or to the taking possession by any such official of the Electric System or any substantial part of the District's property, (4) making by the District of any assignment for the benefit of creditors, or (5) taking of corporate action by the District in furtherance of any of the foregoing;

(e) The entry of any (1) decree or order for relief by a court having jurisdiction over the District or its property in an involuntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law, (2) appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official for the District, the Electric System or any substantial part of the District's property, or (3) order for the termination or liquidation of the District, the Electric System or the affairs of the District;

(f) Failure of the District within 90 days after the commencement of any proceedings against it under the Federal bankruptcy laws or any other applicable Federal or state bankruptcy, insolvency or similar law, to have such proceedings dismissed or stayed.

The provisions of subsection (c) under this heading are subject to the limitation that if by reason of force majeure the District is unable in whole or in part to observe and perform any of its covenants, conditions or agreements under the Resolution, the District shall not be deemed in default during the continuance of such disability. The term “**force majeure**” as used in the Resolution shall include without limitation acts of God, strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the District. The District shall, however, remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements, provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the District, and the District shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties.

Enforcement of Remedies. Upon the happening and continuance of any Event of Default, then and in every such case the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding may appoint any state bank, national bank, trust company or national banking association qualified to transact business in the State of Nebraska to serve as trustee for the benefit of the Owners of all Bonds then Outstanding (the “**Receiver**”). Notice of such appointment, together with evidence of the requisite signatures of the Owners of twenty-five percent (25%) of the aggregate principal amount of Bonds then Outstanding and the trust instrument under which the Receiver shall have agreed to serve shall be filed with the District with a copy to the Receiver and notice of such appointment shall be mailed to the Owners of the Bonds. After the appointment of a Receiver under the Resolution, no further Receivers may be appointed; however, the Owners of a majority of the aggregate principal amount of Bonds then Outstanding may remove the Receiver initially appointed and appoint a successor and subsequent successors at any time. If the default for which the Receiver was appointed is cured or waived pursuant to this Article VIII, the appointment of the Receiver shall terminate with respect to such default.

After a Receiver has been appointed pursuant to the foregoing, the Receiver may proceed, and upon the written request of Owners of twenty-five percent (25%) of the aggregate principal amount of Bonds then Outstanding shall proceed, to protect and enforce the rights of the Owners under the laws of the State of Nebraska, including the Act, and under the Resolution, by such suits, actions or special proceedings in equity or at law, or by regulatory or administrative proceedings in the office of any board, body or officer having jurisdiction, either for the specific performance of any covenant or agreement contained in the Resolution or in aid of execution of any power granted in the Resolution or for the enforcement of any proper legal or equitable remedy, all as the Receiver, being advised by counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy against the District under the Resolution, the Receiver shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the District, for principal, interest or other sums due under any provisions of the Resolution or of such Bonds and unpaid, with interest on overdue payments of principal and, if permitted by law, at the rate or rates of interest specified in such Bonds, together with any and all reasonable costs and expenses of collection and of all proceedings under the Resolution and under such Bonds without prejudice to any other right or remedy of the Receiver or of the Owners, and to recover and enforce any judgment or decree against the District, but solely as provided in the Resolution and in such Bonds, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect in any manner provided by law, the moneys adjudged or decreed to be payable.

Effect of Discontinuing Proceedings. In case any proceeding taken by the Receiver or any Owner on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Receiver or such Owner, then and in every such case the District and the Owners shall be restored to their former positions and rights under the Resolution, respectively, and all rights, remedies and powers of the Receiver shall continue as though no such proceeding had been taken.

Directions to Receiver as to Remedial Proceedings. Anything in the Resolution to the contrary notwithstanding, the Owners of a majority of the aggregate principal amount of Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Receiver, to direct the method and place of conducting all remedial proceedings to be taken by the Receiver under the Resolution, provided that such direction shall not be otherwise than in accordance with law or the provisions of the Resolution, and that the Receiver shall have the right to decline to follow any such direction which in the opinion of the Receiver would be unjustly prejudicial to Owners not parties to such direction.

Pro Rata Application of Funds. (a) Anything in the Resolution to the contrary notwithstanding, if at any time the Net Revenues shall not be sufficient to pay the principal of or the interest on the Bonds as the same become due and payable, such

moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

(i) Unless the principal of all the Bonds and Parity Obligations shall have become due and payable, all such moneys shall be applied (A) to the payment of all installments of interest then due on the Bonds and the interest component of Parity Obligations then due, in the order of the maturity of the installments of such interest, to the persons entitled thereto, ratable, without any discrimination or preference, and (B) to the payment of all installments of principal of Bonds and Parity Obligations then due.

(ii) If the principal of all the Bonds and Parity Obligations shall have become due and payable, all such moneys shall be applied to the payment of the principal or interest then due and unpaid upon the Bonds and Parity Obligations, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bonds or Parity Obligations over any other Bonds or Parity Obligations, ratable, according to the amounts due, respectively, for principal or interest to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bond and Parity Obligations.

(b) Whenever moneys are to be applied by the Receiver pursuant to the provisions of the Resolution, such moneys shall be applied by the Receiver at such times, and from time to time, as the Receiver in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the setting aside of such moneys, in trust for the proper purpose, shall constitute proper application by the Receiver; and the Receiver shall incur no liability whatsoever to the District, to any Owner or to any other person for any delay in applying any such moneys, so long as the Receiver acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of the Resolution as may be applicable at the time of application by the Receiver. Whenever the Receiver shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an interest payment date unless the Receiver shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Receiver shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to the Owner of any Bond unless such Bond shall be presented to the Receiver for appropriate endorsement or for cancellation if fully paid.

Restrictions on Actions by Individual Owners. No Owner shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Resolution or for any other remedy under the Resolution unless such Owner previously shall have given to the Receiver written notice of the Event of Default on account of which such suit, action or proceeding is to be taken, and unless the Owner of not less than twenty-five percent (25%) of the aggregate principal amount of Bonds then Outstanding shall have made written request of the Receiver after the right to exercise such powers or right of action, as the case may be, shall have accrued and shall have afforded the Receiver a reasonable opportunity either to proceed to exercise the powers granted in the Resolution or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Receiver reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, including the reasonable fees of its attorneys (including fees on appeal), and the Receiver shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are declared in every such case, at the option of the Receiver, to be conditions precedent to the execution of the powers and trusts of the Resolution or for any other remedy under the Resolution. It is understood and intended that no one or more Owners of the Bonds secured by the Resolution shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Resolution, or to enforce any right under the Resolution, except in the manner provided in the Resolution, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Resolution and for the benefit of all Owners, and that any individual rights of action or any other right given to one or more of such Owners by law are restricted by the Resolution to the rights and remedies provided in the Resolution.

Nothing contained in the Resolution, however, shall affect or impair the right of any Owner individually, to enforce the payment of the principal of and interest on his Bond or Bonds at and after the maturity thereof, at the time, place, from the source and in the manner provided in the Resolution.

Amendments and Supplemental Resolutions

Supplemental Resolutions. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the District may be adopted shall be fully effective in accordance with its terms:

(a) to authorized the issuance of Additional Bonds as provided by the Resolution;

(b) to provide limitations and restrictions in addition to the limitations and restrictions contained in the Resolution on the authentication and delivery of Additional Bonds or other obligations of the District payable out of the Revenues; provided,

however, that such additional limitations or restrictions shall not cause the District to violate any of its covenants and agreements contained in the Resolution;

(c) to add to the covenants and agreements of the District in the Resolution other covenants and agreements to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect;

(d) to add to the limitations and restrictions in the Resolution other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect;

(e) to provide for the assumption and pledge required in the event of merger, consolidation or sale, as required under the terms of the Resolution; and

(f) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution of the Revenues or of any other moneys, securities or Funds.

(g) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution;

(h) to insert such provisions clarifying matters or questions arising under the Resolution as are, in the opinion of nationally recognized bond counsel to the District, necessary or desirable and are not contrary to or inconsistent with the Resolution as theretofore in effect; or

(i) to make any other amendment, change or modification which does not materially adversely affect the interests of the Holders of the Bonds then Outstanding.

Power of Amendment. Any modification or amendment of the Resolution and of the rights and obligations of the District and of the Holders of the Bonds, in any particular, may be made by a Supplemental Resolution, with the written consent of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a change in the principal amount thereof or premium thereon or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Registrar without its written assent thereto.

Consent of Bondholders. The District may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the Resolution, to take effect when and as provided under this heading. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto), together with a request to Bondholders for their consent thereto shall be mailed by the District to Bondholders (but failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as provided by the Resolution). Such Supplemental Resolution shall not be effective unless and until there shall have been received by the District (a) the written consents of Holders of the percentages of Outstanding Bonds specified under the heading "Power of Amendment" and (b) an opinion of counsel stating that such Supplemental Resolution has been duly and lawfully adopted by the District in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the District. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the District shall mail to the Bondholders a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. A record, consisting of the papers required or permitted by the Resolution retained by the District, shall be proof of the matters therein stated.

Modifications by Unanimous Consent. The terms and provisions of the Resolution and the rights and obligations of the District and of the Holders of the Bonds may be modified or amended in any respect upon the adoption and filing by the District of a Supplemental Resolution and the consent of the Holders of all the Bonds then Outstanding, such consent to be given as provided by the Resolution except that no notice to Bondholders by mailing shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of the Registrar without the written assent thereto of the Registrar in addition to the consent of the Bondholders.

Defeasance

(a) If the District shall pay or cause to be paid, or there shall otherwise be paid or provision for payment made to the Holders of all Bonds the principal of and premium, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then the pledge of any Revenues and other items made in the Resolution and all covenants, agreements and other obligations of the District with respect to the Bonds shall thereupon cease, terminate and become void and be discharged and satisfied except as to (a) remaining rights of registration of transfer, substitution and exchange of Bonds,

(b) rights of Holders to receive payments of principal of, premium, if any, and interest on the Bonds when due, (c) rights, obligations and immunities of the Registrar with respect to the Bonds and (d) requirements for continuing compliance necessary to preserve the excludability of interest from gross income under the Code.

(b) Any Bond or any portion thereof in a principal amount equal to \$5,000 or any integral multiple thereof shall be deemed to be paid within the meaning of the Resolution when payment of the principal of and premium, if any, and interest on such Bond (whether at maturity or upon redemption or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof or (ii) shall, in accordance with the preceding subsection (a), have been provided for by irrevocably depositing with a national or state bank having trust powers (the “**Escrow Agent**”), in trust and irrevocably set aside exclusively for such payment, (A) moneys sufficient to make such payment or (B) Escrow Obligations (provided that such deposit will not impair the exclusion from gross income for federal income tax purposes of the interest on the Bonds or cause any of the Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code and regulations promulgated or proposed thereunder), such Escrow Obligations to mature as to principal and interest in such amounts and at such times as will provide sufficient moneys to make such payments, and all necessary and proper fees, compensation and expenses of the Registrar pertaining to the Bonds or portion thereof with respect to which such deposit is made; provided, however, that if money or Escrow Obligations are deposited with an Escrow Agent as provided in (B) above, there shall also be filed with the District a report of an independent certified public accountant or a firm of independent certified public accountants, experienced in public sector accounting and finance, to the effect that such deposit of money or Escrow Obligations are sufficient to provide for the payment of the Bonds and all necessary and proper fees, compensation and expenses of the Registrar as provided in the Resolution (provided that any such accountant may rely upon a certification from the Registrar that satisfactory provisions have been made for the payment of all necessary and proper fees, compensation and expenses of the Registrar as provided in the Resolution and shall not be required to determine that such payment is to be provided for from money or Escrow Obligations deposited). At such times as a Bond is deemed to be paid, it will no longer be secured by or entitled to the benefits of the Resolution, except as to (I) remaining rights of registration of transfer, substitution and exchange of Bonds, (II) rights of Holders to receive payments of principal of and premium, if any, and interest on the Bonds at their stated maturities, (III) rights, obligations and immunities of the Registrar and (IV) requirements for continuing compliance necessary to preserve the excludability of interest from gross income under Section 103 (and related sections) of the Code. Any such deposit of money or Escrow Obligations with the Escrow Agent made in accordance with the Resolution shall be irrevocable and all right title and interest of the District to such money or Escrow Obligations shall cease and terminate from and after the time of such transfer.

(c) Anything in the Resolution to the contrary notwithstanding, any moneys held by the Registrar for the payment and discharge of any of the Bonds which remain unclaimed for five years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, shall be its absolute property and free from trust and the Bondholders shall look only to the District for the payment of such Bonds; provided, however, that the District shall be permitted to discharge all responsibility with respect to any such monies or Government Obligations by making payment to the Treasurer of the State of Nebraska in accordance with Sections 69-1301 to 69-1329, inclusive, Reissue Revised Statutes of Nebraska, as amended, or to the appropriate official determined under the escheat law of any other state which escheat law is determined in the reasonable discretion of the District to apply.

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING**, dated _____, 2025 (the **“Disclosure Undertaking”**), is executed and delivered by **LOUP RIVER PUBLIC POWER DISTRICT** (the **“Issuer”**).

RECITALS

1. This Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of \$ _____ **Electric System Revenue Bonds, Series 2025** (the **“Bonds”**), pursuant to the Electric System Revenue Bond Resolution, dated as of August 15, 2004, as amended and supplemented from time to time, including, without limitation, the Sixth Supplemental Revenue Bond Resolution passed March 25, 2025 by the governing body of the Issuer (collectively, the **“Resolution”**).

2. The Issuer is entering into this Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the **“Rule”**). The Issuer is the only **“obligated person”** with responsibility for continuing disclosure hereunder.

In consideration of the mutual covenants and agreements herein, the Issuer covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report filed by the Issuer pursuant to, and as described in, **Section 2** of this Disclosure Undertaking.

“Beneficial Owner” means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Business Day” means a day other than (a) a Saturday, Sunday, or legal holiday, (b) a day on banks located in the city in which the designated payment office of the paying agent for the Bonds is located is required or authorized by law to remain closed, or a day on this the Securities Depository or the New York Stock Exchange is closed.

“EMMA” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation;

or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“**Fiscal Year**” means the **12-month** period beginning on **January 1** and ending on **December 31** or any other **12-month** period selected by the Issuer as the Fiscal Year of the Issuer for financial reporting purposes.

“**Material Events**” means any of the events listed in **Section 3(a)** of this Disclosure Undertaking.

“**MSRB**” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“**Participating Underwriter**” means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“**Rule**” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Provision of Annual Reports.

(a) The Issuer shall not later than **180** days after the end of the Issuer’s Fiscal Year, commencing with the year ending December 31, 2025, filed with the MSRB, through EMMA, the following financial information and operating data (the “**Annual Report**”):

(1) The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles. If audited financial statements are not available by the time the Annual Report is required to be filed pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be provided in the same manner as the Annual Report promptly after they become available.

(2) Updates as of the end of the fiscal year of certain financial information and operating data contained in the final Official Statement, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an “**obligated person**” (as defined by the Rule), which have been filed with the MSRB and is available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are

not available by that date. If the Issuer's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under Section 3.

(b) In addition to the foregoing requirements of this Section, the Issuer agrees to provide copies of the most recent Annual Report to any requesting Beneficial Owner or prospective Beneficial Owner, but only after the same has been filed with the MSRB.

Section 3. Reporting of Material Events. No later than 10 business days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds ("**Material Events**"):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bond, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)**, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this **Section 3**.

Section 4. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer's obligations under this Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Undertaking in the

same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

Section 5. Dissemination Agents. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such agent, with or without appointing a successor dissemination agent. The dissemination agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the Issuer. The dissemination agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Issuer may amend this Disclosure Undertaking and any provision of this Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Disclosure Undertaking.

If a provision of this Disclosure Undertaking is amended or waived, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Disclosure Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Issuer fails to comply with any provision of this Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an event of default under the Resolution or the Bonds, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 9. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Disclosure Undertaking, the Resolution or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Nebraska.

EXHIBIT A

FINANCIAL INFORMATION AND OPERATING DATA TO BE INCLUDED IN ANNUAL REPORT

The financial information and operating data contained in the following described sections and tables contained in the final Official Statement:

The following sections and tables contained in the final Official Statement:

1. Top Retail Revenue Customers
2. History of Accounts Served
3. Peak Demand

APPENDIX E

FORM OF BOND COUNSEL OPINION

[Closing Date]

Loup River Public Power District
Columbus, Nebraska

[Underwriter Name]
[Underwriter City, State]

Re: \$ _____ Loup River Public Power District, Electric System Revenue Bonds, Series
2025

To the Addressees:

We have served as bond counsel to Loup River Public Power District (the “*Issuer*”), in connection with the issuance by the Issuer of the above-captioned bonds (the “*Bonds*”). In this capacity, we have examined the law and such certified proceedings, certifications and other documents as we have deemed necessary to give the opinions below.

The Bonds are issued pursuant to Chapter 70, Article 6, Reissue Revised Statutes of Nebraska, as amended and the Electric System Revenue Bond Resolution, dated as of August 15, 2004, as amended and supplemented from time to time, including, without limitation, the Sixth Supplemental Revenue Bond Resolution (collectively, the “*Resolution*”) of the Issuer adopted March 25, 2025. Under the Resolution, the Issuer has pledged certain revenues (the “*Revenues*”) for the payment of principal of, premium (if any), and interest on the Bonds when due.

Capitalized terms used and not otherwise defined in this opinion have the meanings assigned to those terms in the Resolution.

Regarding questions of fact material to the opinions below, we have relied on the representations of the Issuer contained in the Resolution, on the certified proceedings and other certifications of representatives of the Issuer and the certifications of others furnished to us without undertaking to verify them by independent investigation.

Based on the foregoing, we are of the opinion that:

1. The Issuer is validly existing as a political subdivision of the State of Nebraska (the “*State*”) with the power to adopt the Resolution, perform the agreements on its part contained therein, and issue the Bonds.

2. The Resolution has been duly adopted by the Issuer and constitutes a valid and binding agreement of the Issuer.

3. The Resolution creates a valid lien on the Revenues and other funds pledged by the Resolution for the security of the Bonds on a parity with other bonds, if any, issued or to be issued under the Resolution.

4. The Bonds have been duly authorized and executed by the Issuer, and are valid and binding limited obligations of the Issuer, payable solely from the Revenues and the other funds provided therefor in the Resolution. The Bonds do not constitute general obligations of the Issuer and do not constitute an indebtedness of the Issuer within the meaning of any State constitutional or statutory provision, limitation, or restriction. The Issuer's taxing power is not pledged to the payment of the Bonds.

5. The interest on the Bonds [(including any original issue discount properly allocable to an owner thereof)] (i) is excludable from gross income for federal income tax purposes, (ii) is exempt from income taxation by the State, and (iii) is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal and State income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding (a) the accuracy, adequacy or completeness of the Official Statement or other offering material relating to the Bonds, (b) the attachment, perfection, or priority of the lien on Revenues or other funds created by the Resolution, or (c) the tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion letter.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances that may later come to our attention, or any changes in law that may later occur.

Very truly yours,

APPENDIX F

BOOK-ENTRY SYSTEM

The Depository Trust Company, New York, NY, will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be issued as fully registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2025 Bond will be issued for each maturity of the Series 2025 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2025 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2025 Bonds may wish to ascertain that the nominee holding the Series 2025 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2025 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Series 2025 Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the District, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and neither the District nor the Underwriter takes responsibility for the accuracy thereof, and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Notice to Bondholders

Notice of any proposed modification or amendment of the Resolution by means of a supplemental resolution that is to be effective with the consent of the registered owners of the Series 2025 Bonds as well as all notices of redemption will be mailed to DTC, as the registered owner of the Series 2025 Bonds then outstanding.

No assurance can be given by the District that DTC will distribute to the Participants, or that the Participants will distribute to the Beneficial Owners, (i) payment of debt service on the Series 2025 Bonds paid to DTC, or its nominee, as the registered owner, or (ii) any redemption or other notices, or that DTC or the Participants will serve and act on a timely basis or in the manner described in this Official Statement.