

**SALT VERDE FINANCIAL CORPORATION
BOARD MEETING NOTICE AND AGENDA**

BOARD OF DIRECTORS MEETING

Thursday, August 7, 2025, 9:30 AM

**SRP Administration Building
1500 N. Mill Avenue, Tempe, AZ 85288**

Directors: David Rousseau, President; Christopher Dobson, Vice President; and Jack White Jr.

Call to Order
Roll Call

1. Request for Approval of the Minutes for the Meeting of April 15, 2025
.....PRESIDENT DAVID ROUSSEAU
2. Fiscal Year 2025 Audit Findings by PricewaterhouseCoopers (PwC)
.....RAÚL PIÑA, PwC

Informational presentation of the Fiscal Year 2025 audit by PwC including audit findings, accounting and reporting matters, and required communications.
3. Update on Current OperationsJASON RIGGS

Informational presentation on operations and current counterparty credit ratings.
4. Financial MattersJEREMY FRY

Informational presentation of the financial summary covering the year ended April 30, 2025.
5. AdjournPRESIDENT DAVID ROUSSEAU

The Board may vote during the meeting to go into Executive Session, pursuant to A.R.S. §38-431.03(A)(3), for the purpose of discussion or consultation for legal advice with legal counsel to the Board on any of the matters listed on the agenda.

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| Visitors: The public has the option to attend in-person or observe via Zoom and may receive teleconference information by contacting the Corporate Secretary's Office at (602) 236-4398. If attending in-person, all property in your possession, including purses, briefcases, packages, or containers, will be subject to inspection. |
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**NOTICE WILL BE SENT REGARDING THE NEXT
SVFC MEETING**

07/31/2025

MINUTES
BOARD OF DIRECTORS
SALT VERDE FINANCIAL CORPORATION,
an Arizona Nonprofit Corporation

DRAFT

April 15, 2025

A meeting of the Board of Directors of the Salt Verde Financial Corporation (SVFC), an Arizona nonprofit corporation organized under the Arizona Nonprofit Corporation Act, convened at 9:43 a.m. on Tuesday, April 15, 2025, from the Hoopes Board Conference Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines.

Directors of SVFC present at roll call were Christopher J. Dobson, Vice President of SVFC and SRP; and Nicholas R. Brown of SVFC and SRP.

Director of SVFC absent at roll call was David Rousseau, President of SVFC and SRP.

Also present were Kevin J. Johnson, Sandra D. Kennedy, Mark V. Pace, and Leslie C. Williams, Directors of SRP; Colleen Resch-Geretti, Council Member of SRP; J. Rocky Shelton, Council Chair of SRP; Jon W. Hubbard, Treasurer of SVFC and Treasurer and Senior Director of Financial Operations and Compliance of SRP; Jason I. Riggs, Assistant Treasurer of SVFC and Director of Treasury Operations and Compliance of SRP; John M. Felty, Secretary of SVFC and Corporate Secretary of SRP; Lora F. Hobaica, Assistant Secretary of SVFC and Assistant Corporate Secretary of SRP; Melissa J. Burger, Jayson B. Carpenter, Jeremy Fry, Nina J. Mullins, Michael J. O'Connor, and Sue Ann Perkinson, Mitchell B. Rosen, and Alex A. Tapia of SRP; Pam Collins of G&M AZ Management Company, LLC; and Scott Gavin and Raul Piña of PricewaterhouseCoopers LLP (PwC).

In compliance with A.R.S. §38-431.02, Andrew Davis of the SRP Corporate Secretary's Office had posted a notice and agenda of a meeting of the Board of Directors of SVFC at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, April 11, 2025.

Vice President and Director C.J. Dobson served as Chair. They called the meeting to order at 9:43 a.m. and acknowledged the existence of a quorum of the Board of Directors.

Approval of the Minutes

On a motion duly made by Director N.R. Brown and seconded by Vice President and Director C.J. Dobson, the Board of Directors of the SVFC unanimously approved and adopted the minutes for the meeting of August 8, 2024, as presented.

Secretary J.M. Felty polled the Directors on Director N.R. Brown's motion to approve the minutes for the meeting of August 8, 2024. The vote was recorded as follows:

| | | |
|------------|---------------------------------------------------------------------------|-----|
| YES: | Directors Christopher J. Dobson, Vice President; and Nicholas R. Brown | (2) |
| NO: | None | (0) |
| ABSTAINED: | None | (0) |
| ABSENT: | Director David Rousseau, President | (1) |

Appointment of Officers for Fiscal Year 2026 (FY26)

Using a PowerPoint presentation, Vice President and Director C.J. Dobson reminded the Members that the SVFC Bylaws (Article III, Section 3.2) provide that the Board of Directors, at each annual meeting, appoint the officers of the Corporation to serve for the ensuing year. They stated that the current officers of SVFC are David Rousseau, President; Chris J. Dobson, Vice President; John M. Felty, Secretary; Lora F. Hobaica, Assistant Secretary; Jon W. Hubbard, Treasurer; and Jason I. Riggs, Assistant Treasurer.

Vice President and Director C.J. Dobson concluded by recommending that the SVFC Board of Directors appoint the individuals listed below to serve in their respective capacities in FY26.

There being no other nominations, on a motion duly made by Director N.R. Brown, seconded by Vice President and Director C.J. Dobson and carried, the Board adopted the following resolution:

RESOLUTION APPOINTING THE OFFICERS OF THE CORPORATION FOR FISCAL YEAR 2026

RESOLVED, that the following persons are hereby appointed as Officers of Salt Verde Financial Corporation, to serve in their respective capacities in Fiscal Year 2026 and until their successors are appointed:

| | |
|-----------------|-----------------------|
| President | David Rousseau |
| Vice President | Christopher J. Dobson |
| Secretary | John M. Felty |
| Asst. Secretary | Lora F. Hobaica |
| Treasurer | Jon W. Hubbard |
| Asst. Treasurer | Jason I. Riggs |

RESOLVED FURTHER, that the Officers of the Corporation are hereby authorized, empowered and directed to execute such documents, instruments and other writings, and to do all such things on behalf of and in the name of the Corporation, as may be deemed appropriate, required or necessary to perform the duties incidental to their respective offices.

Secretary J.M. Felty polled the Directors on Vice President and Director C.J. Dobson's motion to approve the appointment of officers for FY26. The vote was recorded as follows:

| | | |
|------------|---------------------------------------------------------------------------|-----|
| YES: | Directors Christopher J. Dobson, Vice President; and Nicholas R. Brown | (2) |
| NO: | None | (0) |
| ABSTAINED: | None | (0) |
| ABSENT: | Director David Rousseau, President | (1) |

Copies of the PowerPoint slide used in this presentation are on file in the SRP Corporate Secretary's Office and, by reference, made a part of these minutes.

PwC FY25 Audit

Using a PowerPoint presentation and referencing the material distributed, Raul Piña, Partner of PwC, presented the audit report and the objectives of the audit. They stated that compliance with the auditor independence rules continues to be a shared responsibility between a company's management and its independent auditor.

R. Piña provided an overview of the risk assessment results, the PwC audit team, and other required communications.

In conclusion, Jeremy Fry, SRP Director of Financial Reporting, requested approval to retain PwC to serve as an independent public accountant for the FY25 year-end audit.

On a motion duly made by Vice President and Director C.J. Dobson, seconded by Director N.R. Brown and carried, the Board approved the retention of PwC for the FY25 year-end audit.

Secretary J.M. Felty polled the Directors on Vice President and Director C.J. Dobson's motion to approve the FY25 year-end audit. The vote was recorded as follows:

| | | |
|------------|------------------------------------------------------------------------------------------------------|-----|
| YES: | Directors David Rousseau, President; Christopher J. Dobson, Vice President; and Nicholas R. Brown | (3) |
| NO: | None | (0) |
| ABSTAINED: | None | (0) |
| ABSENT: | None | (0) |

Copies of the handouts distributed and PowerPoint slides used in this presentation and materials distributed by PwC are on file in the SRP Corporate Secretary's Office and, by reference, made a part of these minutes.

President and Director David Rousseau entered the meeting during the presentation and assumed the Chair.

Status of Operations and Counterparty Credit Ratings Update

Using a PowerPoint presentation, Jason I. Riggs, Assistant Treasurer of SVFC and Director and Assistant Treasurer of Treasury Operations and Compliance of SRP, updated the Board on the status of operations of SVFC and its credit rating. They

reported that the inception-to-date gas discount was \$8.6 million and that there were no delivery issues.

J.I. Riggs provided a review of Moody's and Standard and Poor's current credit ratings of Citigroup Inc. (Citi) and the other counterparties involved. In conclusion, they reviewed the Citi collateral received and invested, which included interest earned and interest paid to Citi through February 2025.

Copies of the PowerPoint slides used in this presentation are on file in the SRP Corporate Secretary's Office and, by reference, made a part of these minutes.

Irene R. Avalos and Jim M. Pratt of SRP entered the meeting during the presentation.

Financial Matters

Unaudited Financial Statements

Using a PowerPoint presentation, J. Fry provided a financial summary of the FY25 Actuals through the third quarter and the FY26 operating budget. They reviewed the unaudited financial statements of SVFC for the nine-month period ending January 31, 2025.

FY26 Operating Budget

Continuing, J. Fry reviewed the key elements of the proposed Operating Budget of SVFC for FY26, including the estimated income and expenses. They concluded by recommending that the SVFC Board of Directors approve the proposed Operating Budget for FY26, as presented.

On a motion duly made by Vice President and Director C.J. Dobson, seconded by Director N.R. Brown and carried, the Board granted approved, as recommended.

Secretary J.M. Felty polled the Directors on Vice President and Director C.J. Dobson's motion to approve the Operating Budget for FY26. The vote was recorded as follows:

| | | |
|------------|---------------------------------------------------------------------------------------------------|-----|
| YES: | Directors David Rousseau, President; Christopher J. Dobson, Vice President; and Nicholas R. Brown | (3) |
| NO: | None | (0) |
| ABSTAINED: | None | (0) |
| ABSENT: | None | (0) |

Copies of the PowerPoint slides used in this presentation and materials distributed by PwC are on file in the SRP Corporate Secretary's Office and, by reference, made a part of these minutes.

There being no further business to come before the Board, the meeting adjourned at 10:09 a.m.

John M. Felty
Secretary



The PwC audit

Experience beyond numbers

Salt Verde Financial Corporation

Audit results

Report to the Board of Directors

August 7, 2025

CONFIDENTIAL

This report and the information that it contains is intended solely for the information and use of the Audit Committee and, if appropriate, management, and is not intended to be, and should not be used by anyone other than these specified parties.

The PwC Audit

Experience beyond numbers

August, 7, 2025.

Dear Members of the Board of Directors of Salt Verde Financial Corporation:

We are pleased to submit our Report to the Board of Directors related to the results of our FY2025 audit of Salt Verde Financial Corporation (the "Company"). Our report includes an update on the status of our audit, a summary of the results of our audit work to date and other required communications. We've also highlighted how our human-led, tech-powered approach enhanced audit quality and contributed to a more streamlined, tailored experience, enriched by meaningful insights.

This report has been prepared in advance of our meeting and prior to the completion of our procedures. Other matters of interest to the Board of Directors may arise, which we will bring to your attention at our meeting.

We look forward to presenting this report on your PwC Audit. If you have any questions or wish to discuss any other matters prior to our meeting, please do not hesitate to contact me at (708) 310-2358 or raul.pina@pwc.com.



Raúl Piña
Engagement Partner

Executive Summary

Status of the Audit:

- We are substantially complete with our audit of the financial statements pending completion of the items below:
 - Review of final version of the financial statements
 - Receipt of the signed management representation letters
 - Keeping current procedures
 - Review and finalization of our audit file documentation
- We expect to issue an unqualified opinion.

Significant Changes to Audit Plan:

- We presented our planned audit approach, including our preliminary risk assessment, and related scoping considerations for 2025 to the Board of Directors on April 15, 2025.
- Throughout the audit, we continuously evaluated the appropriateness of our audit strategy.
- There were no significant changes to the planned audit approach.

Audit Findings:

- Based on our procedures performed to date, we have not identified any material misstatements in the financial statements.

Audit risks

During our planning phase of the audit, we previously provided you with a preliminary list of areas of audit emphasis in response to identified risk. Below is the listing of areas of significant risk:

- Management override of controls (Presumed Risk for all Audits)
- Fair value of derivatives may not be properly recorded (Valuation)
- Risk of fraud in revenue recognition (Accuracy)

There were no changes to our identified areas of significant risk during the execution phase of the audit. There were no misstatements identified in connection with our audit procedures in these areas.

Other required communications

| Matter to report | No | Yes | Comments |
|---------------------------------------------|----|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ethics and independence requirements | √ | | <p>We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the AICPA Code of Professional Conduct and the rules of applicable state boards of accountancy.</p> <p>Our policies related to ethics, including independence, integrate the requirements of the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA code) and the relevant standards and regulations established by US standard setting bodies and by external regulators.</p> |
| Independence breaches | √ | | <p>In accordance with the AICPA's Code of Professional Conduct, we are required to communicate a breach of external independence requirements to you as soon as possible or in line with a communication protocol that is confirmed in writing. There were no independence matters that occurred or were identified subsequent to the date April 15, 2025 of our most recent communication provided to the Board of Directors.</p> |

Other required communications

| Matter to report | No | Yes | Comments |
|-----------------------------------------------------|----|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fraud | √ | | We did not identify any fraud or suspected fraud. |
| Non-compliance with laws and regulations | √ | | We are not aware of any instances of non-compliance with laws and regulations. |
| Related Parties | √ | | After evaluating the company's identification of, accounting for, and disclosure of its relationships and transactions with related parties, we have identified no significant findings or issues arising during the audit in connection with the company's related parties. |
| Quality of the company's financial reporting | √ | | <p>We have considered the qualitative aspects of the company's significant accounting policies and practices and we identified no reportable matters.</p> <p>We have evaluated whether the difference between (1) estimates best supported by the audit evidence and (2) estimates included in the financial statements, which are individually reasonable, indicate a possible bias on the part of the company's management. We did not identify any areas of possible bias.</p> <p>We have performed an evaluation of whether the presentation of the financial statements and the related disclosures are in conformity with the applicable financial reporting framework, including our consideration of the form, arrangement, and content of the financial statements (including the accompanying notes). We did not identify any instances of non conformity.</p> |
| Alternative accounting treatments | √ | | The basis of accounting is disclosed in Note 2 in the financial statements. These policies are consistent with those followed in previous years and we believe such policies are appropriate. |

Other required communications

| Matter to report | No | Yes | Comments |
|---------------------------------------------------------------------------------------------|----|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Material uncertainties related to events and conditions (specifically going concern) | √ | | There were no conditions and events that we identified that indicate that there is substantial doubt about the Company's ability to continue as a going concern. |
| Other information in documents containing audited financial statements | √ | | <p>AICPA Auditing Standards Board Statement on Auditing Standards No. 137 (SAS 137) requires that we communicate to you our responsibility with respect to other information, the procedures performed related to the other information, and the results.</p> <p>These standards require that we read other information, whether financial or nonfinancial, included in the Company's annual report and consider whether a material inconsistency exists between the other information and the financial statements and to remain alert for indications that</p> <ul style="list-style-type: none"> • A material inconsistency exists between the other information and the auditor's knowledge obtained in the audit, and/or • A material misstatement of fact exists or the other information is otherwise misleading. <p>We assume no obligation to perform procedures to corroborate such other information as part of our audit.</p> <p>As it relates to other information included in the annual report, refer to the management representation letter attached for management's written acknowledgment of the document(s) which comprise the annual report and the planned manner and timing of issuance of those document(s). We have completed our procedures over the other information and have (not) identified uncorrected material inconsistencies, material misstatements or statements that are otherwise misleading.</p> |

Other required communications

| Matter to report | No | Yes | Comments |
|-------------------------------------------|----|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Disagreements with management | √ | | There were no disagreements with management. |
| Consultation with other accountants | √ | | We are not aware of any consultations management has had with other accountants about significant accounting or auditing matters. |
| Difficulties encountered during the audit | √ | | There were no significant difficulties encountered during the audit. |
| Difficult or contentious matters | √ | | There were no difficult or contentious matters for which we consulted outside the engagement team and we reasonably determined are significant and relevant to those charged with governance regarding the responsibility to oversee the financial reporting process. |
| Other material written communications | √ | | The Board has been provided a copy of other material written communications with management, including a copy of management's representation letter. |
| Other matters | √ | | There were no other matters arising from the audit that are significant and relevant to the oversight of the company's financial reporting process. |

Experience beyond numbers

Report to the **Audit Committee**

pwc.com

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The PwC audit

Experience beyond numbers

Salt Verde Financial Corporation

Audit results

Report to the Board of Directors

CONFIDENTIAL

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The PwC Audit

Experience beyond numbers

August, 7, 2025

Dear Members of the Board of Directors of Salt Verde Financial Corporation:

We are pleased to submit our Report to the Board of Directors related to the results of our FY2025 audit of Salt Verde Financial Corporation (the "Company"). Our report includes an update on the status of our audit, a summary of the results of our audit work to date and other required communications. We've also highlighted how our human-led, tech-powered approach enhanced audit quality and contributed to a more streamlined, tailored experience, enriched by meaningful insights.

This report has been prepared in advance of our meeting and prior to the completion of our procedures. Other matters of interest to the Board of Directors may arise, which we will bring to your attention at our meeting.

We look forward to presenting this report on your PwC Audit. If you have any questions or wish to discuss any other matters prior to our meeting, please do not hesitate to contact me at (708) 310-2358 or raul.pina@pwc.com.

Very truly yours,



Raúl Piña
Engagement Partner

What's Inside

- 1 Audit Results
- 2 Other required communications
- 3 Appendices

1

Audit results

Status of our audit

Significant changes to the audit plan

We presented our planned audit approach, including our preliminary risk assessment, and related scoping considerations to the Board of Directors on April 15, 2025. Throughout the audit we continuously evaluate the appropriateness of our audit strategy. As a result, there were no significant changes to the planned audit approach.

Remaining items to complete

We have performed or are in the process of completing the appropriate procedures in accordance with our audit plan to address the identified risks pending completion of the items below:

- Final review of financial statements
- Keeping current procedures
- Receipt of the signed management representation letter and legal letter. A draft management representation letter is included as appendix II. There were no new representations.
- Review and finalization of our audit file documentation

Testing Results

There were no misstatements identified that exceeded the de minimis threshold previously communicated during the course of our audit.

Audit report

We expect to issue our unqualified report upon completion of the remaining open items.

A draft of the audit report is included as Appendix I.

Audit risks and results

Significant risk

Risk of management override of controls-this is a presumed risk for all audits under professional standards.

Related accounts

Pervasive – all accounts and assertions

Our audit response

- We inquired with management and others regarding their knowledge of fraud or suspected fraud and the fraud risk assessment process.
- We incorporated an element of unpredictability in the selection of nature, timing and extent of audit procedures.
- We tested manual journal entries meeting certain criteria.
- We planned to review the business purpose of significant unusual transactions, of which there were none in FY25.
- We evaluated and corroborated management's key judgments, assumptions and estimates as seen in the following slides.
- As of the date of this report, the engagement team has not identified any instances of management override of controls.

Audit risks and results

Significant risk

Risk of fraud in revenue recognition (Accuracy Assertion)

Related accounts

Income Statement impact at April 30, 2025:

\$81.4M (\$10.1M gas sales revenues, \$71.3M commodity swap revenues)

Our audit response

- We planned to obtain and review significant contracts entered or modified during the year and assess for appropriate accounting. None were identified in FY25.
- We performed subsequent cash vouching by tracing the total revenue amount from the customer invoice to the bank statement. We also agreed the volumes and price per unit to the invoices. All selections were agreed to the underlying contracts which were confirmed with the appropriate parties in FY25.
- We obtained 3rd party confirmations for the gas sales revenue and expenses.
- As of the date of this report, the engagement team has not identified any material misstatements.

Audit risks and results

Significant risk

Fair value of derivatives may not be properly recorded (valuation assertion)

Related accounts

Balance sheet impact at April 30, 2025:

Derivative Asset- \$750M, Derivative Liability- \$801M

Description of estimate

Valuation of Derivative Instruments accounting estimate – Management’s judgement in determining valuation of derivative instruments.

Significant Assumptions

The significant assumptions underlying the estimate are the calculated discount rate and the future gas curve (for the gas swap and offsetting prepaid gas instrument) and the spread between taxable and tax-exempt entity interest rates (for the supply agreement instrument).

Management’s process for developing estimates

Management uses several data sources to calculate the fair value of derivative investments. Management obtains the future gas curve and Bloomberg screenshot for Citigroup CDS rates from the ERM department. The forward interest rates for tax-exempt and the taxable entities are obtained from the treasury department. The risk-free rates are pulled from the US treasury department website. The forward curves are San Juan obtained from Allegro and Wood Mackenzie. The inputs are used within models to calculate the fair value of the derivative instruments.

Our audit response

- We obtained an understanding of management’s process for valuing derivative instruments.
- We utilized our PwC commodity derivative specialists to review the inputs from pricing agencies and forward price curves, and the appropriateness of the methodology used to value the derivative instruments.
- As of the date of this report, the engagement team has not identified any material misstatements.

2

Other required communications

Other required communications

| Matter to report | No | Yes | Comments |
|--------------------------------------|----|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ethics and independence requirements | √ | | <p>We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the AICPA Code of Professional Conduct and the rules of applicable state boards of accountancy.</p> <p>Our policies related to ethics, including independence, integrate the requirements of the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA code) and the relevant standards and regulations established by US standard setting bodies and by external regulators.</p> |
| Independence breaches | √ | | <p>In accordance with the AICPA's Code of Professional Conduct, we are required to communicate a breach of external independence requirements to you as soon as possible or in line with a communication protocol that is confirmed in writing. There were no independence matters that occurred or were identified subsequent to the date April 15, 2025 of our most recent communication provided to the Board of Directors.</p> |

Other required communications

| Matter to report | No | Yes | Comments |
|-----------------------------------------------------|----|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fraud | √ | | We did not identify any fraud or suspected fraud. |
| Non-compliance with laws and regulations | √ | | We are not aware of any instances of non-compliance with laws and regulations. |
| Related Parties | √ | | After evaluating the company's identification of, accounting for, and disclosure of its relationships and transactions with related parties, we have identified no significant findings or issues arising during the audit in connection with the company's related parties. |
| Quality of the company's financial reporting | √ | | <p>We have considered the qualitative aspects of the company's significant accounting policies and practices and we identified no reportable matters.</p> <p>We have evaluated whether the difference between (1) estimates best supported by the audit evidence and (2) estimates included in the financial statements, which are individually reasonable, indicate a possible bias on the part of the company's management. We did not identify any areas of possible bias.</p> <p>We have performed an evaluation of whether the presentation of the financial statements and the related disclosures are in conformity with the applicable financial reporting framework, including our consideration of the form, arrangement, and content of the financial statements (including the accompanying notes). We did not identify any instances of non conformity.</p> |
| Alternative accounting treatments | √ | | The basis of accounting is disclosed in Note 2 in the financial statements. These policies are consistent with those followed in previous years and we believe such policies are appropriate. |

Other required communications

| Matter to report | No | Yes | Comments |
|--------------------------------------------------------------------------------------|----|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Material uncertainties related to events and conditions (specifically going concern) | √ | | There were no conditions and events that we identified that indicate that there is substantial doubt about the Company's ability to continue as a going concern. |
| Other information in documents containing audited financial statements | √ | | <p>AICPA Auditing Standards Board Statement on Auditing Standards No. 137 (SAS 137) requires that we communicate to you our responsibility with respect to other information, the procedures performed related to the other information, and the results.</p> <p>These standards require that we read other information, whether financial or nonfinancial, included in the Company's annual report and consider whether a material inconsistency exists between the other information and the financial statements and to remain alert for indications that</p> <ul style="list-style-type: none">• A material inconsistency exists between the other information and the auditor's knowledge obtained in the audit, and/or• A material misstatement of fact exists or the other information is otherwise misleading. <p>We assume no obligation to perform procedures to corroborate such other information as part of our audit.</p> <p>As it relates to other information included in the annual report, refer to the management representation letter attached for management's written acknowledgment of the document(s) which comprise the annual report and the planned manner and timing of issuance of those document(s). We have completed our procedures over the other information and have (not) identified uncorrected material inconsistencies, material misstatements or statements that are otherwise misleading.</p> |

Other required communications

| Matter to report | No | Yes | Comments |
|-------------------------------------------|----|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Disagreements with management | √ | | There were no disagreements with management. |
| Consultation with other accountants | √ | | We are not aware of any consultations management has had with other accountants about significant accounting or auditing matters. |
| Difficulties encountered during the audit | √ | | There were no significant difficulties encountered during the audit. |
| Difficult or contentious matters | √ | | There were no difficult or contentious matters for which we consulted outside the engagement team and we reasonably determined are significant and relevant to those charged with governance regarding the responsibility to oversee the financial reporting process. |
| Other material written communications | √ | | Appendix II includes a copy of other material written communications with management, including a copy of management's representation letter. |
| Other matters | √ | | There were no other matters arising from the audit that are significant and relevant to the oversight of the company's financial reporting process. |



Appendices

| | |
|-------------------------------------------|----|
| Audit report draft | I |
| Management representation letter draft | II |

Appendices

Audit report draft



Report of Independent Auditors

To the Board of Directors of Salt Verde Financial Corporation

Opinion

We have audited the accompanying financial statements of Salt Verde Financial Corporation ("SVFC"), which comprise the statements of net position as of April 30, 2025 and 2024, the related statements of revenues, expenses, and changes in net position and of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SVFC as of April 30, 2025 and 2024, and the changes in financial position and 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 audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SVFC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SVFC'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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SVFC'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 SVFC'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 Supplemental Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 1 through 7 be presented to supplement the basic financial statements. Such information is the responsibility of management, 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 supplemental 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.

Signature

August XX, 2025

Management representation letter draft



August xx, 2025

PricewaterhouseCoopers LLP
Attn: Raúl Piña
4300 E. Camelback Rd., Suite 475
Phoenix, AZ 85018

We are providing this letter in connection with your audits of the financial statements of Salt Verde Financial Corporation (the "Company") as of April 30, 2025 and April 30, 2024 and for the years then ended for the purpose of expressing an opinion as to whether such financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Company in conformity with accounting principles generally accepted in the United States of America. We acknowledge and confirm that we have fulfilled our responsibility, as set out in our engagement letter of April 15, 2025, for the preparation and fair presentation in the financial statements of financial position, results of operations, and of cash flows in conformity with generally accepted accounting principles, including the appropriate selection and application of accounting policies.

Certain representations in this letter are described as being limited to those matters that are material. Materiality is entity specific. The omission or misstatement of an item in a financial report is material, regardless of size, if in light of surrounding circumstances, the magnitude of the item is such that it is probable that the judgment of a reasonable person relying upon the report would have been changed or influenced by the inclusion or correction of the item. Materiality used for purposes of these representations is \$2,000,000.

We confirm, to the best of our knowledge and belief, as of August xx, 2025, the date of your report, the following representations made to you during your audits:

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and include all disclosures necessary for such fair presentation and disclosures otherwise required to be included therein by the laws and regulations to which the Company is subject. We have prepared the Company's financial statements on the basis that the Company is able to continue as a going concern. There are no conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date the financial statements are issued.

2. We have made available to you:
 - a. All financial records and related data.
 - b. Unconditional access to persons within the entity from whom you have requested audit evidence.
 - c. All minutes of the meetings of the Board of Directors. For meetings not approved in final form, PwC was made aware by management and the Board of all substantive actions planned for the meeting. The most recent meeting held was on August xx, 2025.
3. We have appropriately reconciled our books and records (e.g., general ledger accounts) underlying the financial statements to their related supporting information (e.g., sub ledger or third-party data). All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements, as necessary. There were no material unreconciled differences or material general ledger suspense account items that should have been adjusted or reclassified to another account balance. There were no material general ledger suspense account items written off to a balance sheet account, which should have been written off to an income statement account and vice versa.
4. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
5. There are no material transactions, agreements or accounts that have not been properly recorded in the accounting records underlying the financial statements.
6. We acknowledge and confirm that we have fulfilled our responsibility, as set out in our engagement letter of April 15, 2025, 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 and we have disclosed to you all deficiencies in the design or operation of internal control over financial reporting of which we are aware.
7. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
8. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud, and we have no knowledge of any fraud or suspected fraud affecting the Company involving:
 - a. Management,
 - b. Employees who have significant roles in internal control over financial reporting, or
 - c. Others where the fraud could have a material effect on the financial statements.

9. We have no knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, analysts, regulators, short sellers, or others.

(As to items 7, 8 and 9, we understand the term “fraud” to mean those matters described in AICPA AU-C 240.)

10. There have been no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
11. The Company has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
12. We have disclosed to you the identity of all the Company’s related parties and all the related party relationships and transactions of which we are aware.
13. There are no side agreements or other arrangements (either written or oral) that have not been disclosed to you.
14. The following, if material, have been properly recorded or disclosed in the financial statements:
 - a. Relationships and transactions with related parties, as described in Governmental Accounting Standards Board Statement (GASBS) No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements* (GASBS 62) including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the Company is contingently liable.
 - c. Significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASBS 62. (Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.)
15. The Company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as disclosed in the financial statements.
16. The Company has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

17. All liabilities of the Company of which we are aware are included in the financial statements at the balance sheet dates. There are no other liabilities or gain or loss contingencies that are required to be recognized or disclosed by GASBS 62, and no unasserted claims or assessments that our legal counsel has advised us are probable of assertion and required to be disclosed in accordance with that topic.
18. We are responsible for all significant estimates and judgments affecting the financial statements. The methods, underlying data, and significant assumptions used in developing accounting estimates and the related disclosures are reasonable and appropriate to achieve recognition, measurement, or disclosure in the financial statements in accordance with accounting principles generally accepted in the United States of America. The methods used in developing accounting estimates have been consistently applied in the periods presented and the data used in developing accounting estimates is accurate and complete. Accounting estimates and judgments appropriately reflect management's intent and ability to carry out specific courses of action, where relevant. There have been no subsequent events that would require the adjustment of any significant estimates and related disclosures.
19. We acknowledge and confirm that we understand your responsibility, as set out in our engagement letter of April 15, 2025, to obtain an understanding of the design and implementation of the Company's internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge that you have not tested the operating effectiveness of our internal control over financial reporting as part of your audit of the financial statements.
20. We have provided you with the final version of the document(s) that comprise the annual report (as defined by AU-C Section 720), as listed in Attachment 1 to this letter. The other information included in the Company's annual report is consistent with the financial statements and does not contain any material misstatements. Should there be any changes to the annual report, we acknowledge and confirm our responsibility to notify you of the change and provide a written acknowledgement of the document or documents that comprise the annual report and the planned manner and timing of issuance of such documents and to provide the final version of the document(s) prior to issuance of the updated annual report, such that you can complete the procedures required by applicable professional standards.
21. We acknowledge our responsibility for the presentation of the management's discussion and analysis in accordance with GASBS No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASBS 34). We believe such information, including its form and content, is fairly presented in accordance with GASBS 34. The methods of measurement or presentation have not changed from those used in the prior period. We have informed you about any significant assumptions or interpretations underlying the measurement or presentation of the information.

22. The Company has adopted GASBS No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*. Governmental entities are given the option whether or not to apply all FASB statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The Company has elected to not implement FASB Statements and Interpretations issued after November 30, 1989. Such election is properly disclosed in the financial statements.
23. All cash and deposit accounts and all other properties and assets of the Company are included in the financial statements. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, collateral posted or similar arrangements have been properly disclosed in the financial statements.
24. We consistently applied our policy regarding classification of cash and cash equivalents, which are short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that there is insignificant risk of changes in value due to interest rate or other credit risk changes.
25. All borrowings and financial obligations of the Company have been disclosed to you and are properly recorded and disclosed in the financial statements.
26. The Company has appropriately classified as current and non-current its Senior and Subordinated Gas Revenue Bonds in the Company's classified balance sheet in accordance with the appropriate authoritative guidance.
27. The Company has not violated any covenants of its Senior and Subordinated Gas Revenue Bonds during any of the periods presented, and we disclosed to you all covenants and information related to how we determined compliance with the covenants.
28. The tax-exempt bonds issued by the Company have retained their tax-exempt status.
29. We evaluated all contracts and financial instruments to determine whether they meet the definition of a derivative under GASBS No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASBS 53).
30. We evaluated financial instruments and other contracts to determine whether the hybrid instrument contains embedded derivative instruments and have separated the embedded derivative from the host contract and accounted for it separately at fair value in accordance with GASBS 53, if the following criteria in accordance with GAAP have been met: (i) the economic characteristics and risks of the embedded derivative are not clearly and closely related to the host contract, (ii) the hybrid instrument that includes the embedded and host contracts is not remeasured at fair value in accordance with GAAP

and (iii) a separate instrument with the same terms as the embedded derivative instrument, would, under GAAP, be a derivative instrument.

31. We are responsible for all significant estimates and judgments affecting derivative financial instruments and commodity derivatives valuation. The methods, underlying data, and significant assumptions used in derivative financial instruments and commodity derivatives valuation and related disclosures are consistent with what a market participant would use, and are reasonable and appropriate to achieve recognition, measurement or disclosure in the financial statements, in accordance with GASB No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The methods used in valuation have been consistently applied in the periods presented and the data used in valuation is accurate and complete. Accounting estimates and judgments appropriately reflect management's intent and ability to carry out specific courses of action, where relevant. There have been no subsequent events that would require the adjustment of any valuations and related disclosures.
32. We disclosed in the financial statements each significant concentration of credit risk arising from all financial instruments.
33. Components of net position (restricted, and unrestricted) are properly classified.
34. The financial statements disclose all matters of which we are aware that are relevant to the Company's ability to continue as a going concern, including all significant conditions and events and management's plans. There have been no events that indicate a termination event (as defined by the Agreement for Purchase and Sale of Natural Gas between the Company and Citigroup Energy, Inc.) has or is likely to occur. In addition, all obligations under the operable documents, including gas deliveries, are being satisfied. Accordingly, the Company's financial statements are prepared on a going-concern basis. We made available to you all relevant information on the Company's ability to continue as a going concern that could affect the financial statements. There have been no subsequent events which would indicate a termination event is likely to occur.
35. We have accounted for our investments in accordance with the requirements of GASBS No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. In accordance with this guidance, we have concluded that investments held are "nonparticipating" contracts and, as such, the investments are recorded at cost. Furthermore, we have considered whether the fair value of the investments has been significantly affected by the impairment of the credit standing of the issuer or other facts. The posting of collateral by MBIA Inc. and AIG Matched Funding Corp. (AIGM FC) to support the investments precluded the need to record any impairment as of April 30, 2025.

David Rousseau
President and Director

Jon Hubbard
Treasurer

Sue Ann Perkinson
Senior Director & Controller
Salt River Project, on behalf of Salt Verde Financial Corporation

Jeremy Fry
Director, Financial Reporting
Salt River Project, on behalf of Salt Verde Financial Corporation

Acknowledgement of Plans to Issue Other Information

As set forth in the terms of our engagement letter dated April 15, 2025, we acknowledge and understand our responsibility to provide written acknowledgment of which document or documents comprise Salt Verde Financial Corporation's (the "Company") annual report and the Company's planned manner and timing of issuance of such documents. We also acknowledge and understand our responsibility for the preparation of any other information, whether financial or nonfinancial, accompanying the consolidated financial statements and the auditor's report thereon in the Company's annual report ("other information"), in a manner which is (a) materially consistent with information appearing in the financial statements (b) materially factual; and (c) not otherwise misleading. We acknowledge and understand our responsibility to provide you with the final version of the document or documents comprising the annual report in a timely manner, and, if possible, provide the final version of other information prior to the date of your audit report on the financial statements. When some or all of the other information will not be available until after the date of your report on the financial statements, we acknowledge and understand our responsibility to provide a written representation that the final version of the other information will be provided to you when available, and prior to the Company's issuance of other information, such that you can complete any procedures that may be required by auditing standards generally accepted in the United States of America.

The purpose of this Attachment is to provide the written acknowledgment described in the preceding paragraph.

We acknowledge and confirm that, as of the date of this letter, we plan to furnish an annual report containing, accompanying, or incorporating by reference the financial statements and your report thereon.

Documents comprising the annual report include:

- The financial statements
- Management's Discussion & Analysis

The following summarizes the planned manner and timing of issuance of the other information comprising the annual report:

- Management's Discussion & Analysis – plan to be issued in hardcopy simultaneously with the issuance of the financial statements at the conclusion of your audit.

Experience beyond numbers

Report to the **Audit Committee**

Salt Verde Financial Corporation

Update on Current Operations & Investments

Jason I. Riggs | August 7th, 2025

Salt Verde Financial Corporation - Operations Update

FY25 Gas Discount \$ 8.6 million

Total savings – Inception through July 2025 \$ 188.5 million

- Gas Discount \$ 135.8 million
- Interest Earnings* \$ 52.7 million

No delivery issues

Current credit ratings



| Senior Debt | | Subordinate Debt | |
|-------------|------|------------------|------|
| Moody's | S&P | Moody's | S&P |
| A3 | BBB+ | Ba3 | BBB+ |

**Excluding collateral*

Counterparty Ratings – August 2025

| Counterparties Monitored in Pre-Pay Gas Transaction | | | | | | | |
|-----------------------------------------------------|---------------------------------------------------------------------------|----------------|---------|----------------|---------|--------------------------|-----------------|
| Counterparty | Role | Current Rating | | Trigger Rating | | Notches to Reach Trigger | |
| | | S&P | Moody's | S&P | Moody's | S&P | Moody's |
| Salt Verde Financial Corp.'s Primary Exposure | | | | | | | |
| Citigroup Inc. | Guarantor for CEI | BBB+ | A3 | BBB+ | Baa1 | Trigger Reached | 1 |
| Other Entities Involved in Transaction | | | | | | | |
| Citigroup Energy Inc. | Gas Supplier | A+ | NR | N/A | | | |
| Royal Bank of Canada | Commodity Swap Provider | AA- | Aa1 | A- | A3 | 3 | 5 |
| MBIA Insurance Corp. (MBIA Inc's Guarantor) | Investment Agreement Provider (Debt Reserve) | NR | Caa2 | A+ | A1 | Trigger Reached | Trigger Reached |
| | Surety Bond Provider | NR | Caa2 | N/A | | | |
| National Public Finance Guarantee Corp. | Reinsurance Provider for MBIA Insurance Corp. | NR | Baa3 | N/A | | | |
| American General Life Insurance Co. | Investment Agreement Provider (Debt Service & Capitalized Interest) | A+ | A2 | A+ | A1 | Trigger Reached | Trigger Reached |
| | | A+ | A2 | BBB+ | Baa1 | 3 | 2 |
| U.S. Bank NA | Bond Trustee | A+ | A2 | N/A | | | |

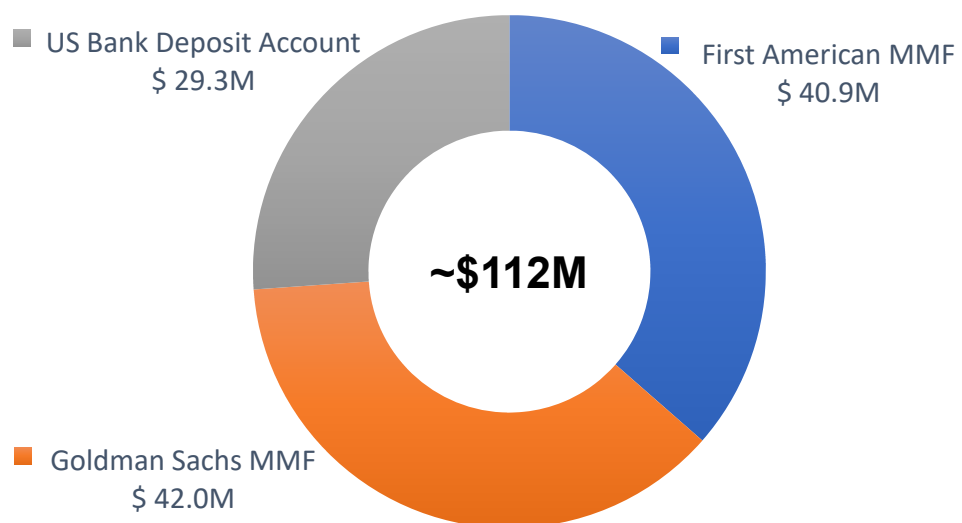
Citi Collateral

Initial Amount Received on May 10, 2016

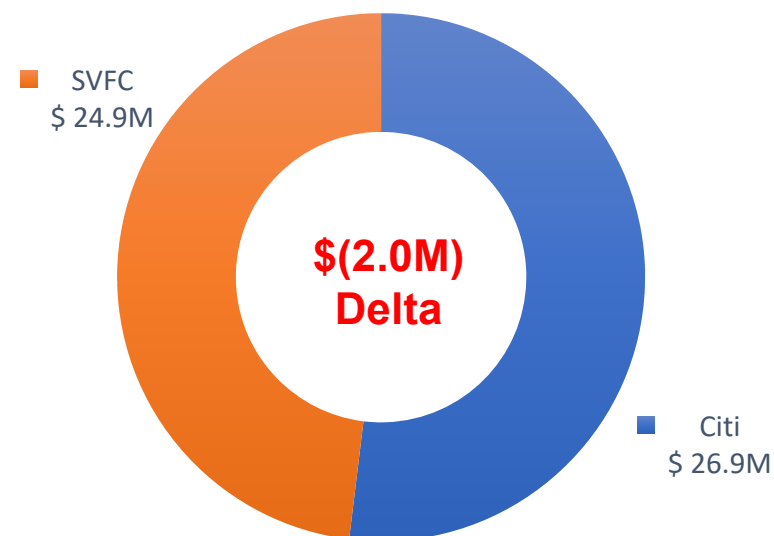
\$ 197.6 million

- Required balance is re-calculated/adjusted, ~\$114M at 6/30/2025

Collateral Held – Breakdown



Interest Earned - Inception thru June 2025



Operating Account

| | | |
|-----------------|----|-------------|
| Operating Funds | \$ | 7.4 million |
|-----------------|----|-------------|

- | | | |
|---------------------------------------|----|-------------|
| • US Bank Operating Fund Bank Account | \$ | 4.9 million |
| • First American Money Market Fund | \$ | 2.5 million |

Operating Account Functions

- Interest earnings flow through to the Operating Account, and from there are rebated to SRP
- Interest SVFC earns and interest paid to Citi on Collateral flows through Operating Account
- Payments from SRP for SVFC services are made here, on a per MMBtu basis
- US Bank monthly charges

Investment Review

Investment Policy Statement of Compliance

- The Investment Portfolio meets all the credit, liquidity, threshold, security type, maturity, prudence, controls, custody and safety objectives the Policy requires.

thank you



Salt Verde Financial Corporation

Year-End Financial Update

Jeremy Fry
August 7, 2025

Confidential

Salt Verde Financial Corporation

Financial Update

| (Amounts in thousands) | <u>FY 2025</u> <u>Actual</u> | <u>FY 2025</u> <u>Budget</u> | <u>Variance</u> |
|---------------------------------|---------------------------------|---------------------------------|--------------------|
| <u>Income</u> | | | |
| Gas Revenues | \$ 81,435 | \$ 81,435 | \$ - |
| Investment Income | 3,270 | 3,095 | 175 |
| Investment Income on Collateral | 5,436 | 4,546 | 890 |
| Total Income | <u>90,141</u> | <u>89,076</u> | <u>1,065</u> |
| <u>Expenses</u> | | | |
| Bond Interest | 53,620 | 53,620 | - |
| Amortization of Prepaid Gas | 35,721 | 35,721 | - |
| Transfers to SRP | 2,327 | 3,095 | (768) |
| Interest Expense on Collateral | 5,563 | 5,428 | 135 |
| Other | 113 | 167 | (54) |
| Total Expenses | <u>97,344</u> | <u>98,031</u> | <u>(687)</u> |
| Gain (Loss) on Derivatives | <u>(18,065)</u> | <u>-</u> | <u>(18,065)</u> |
| Net Income (Loss) | <u>\$ (25,268)</u> | <u>\$ (8,955)</u> | <u>\$ (16,313)</u> |

Salt Verde Financial Corporation

Financial Update

| (Amounts in thousands) | <u>April 30, 2025</u> | <u>April 30, 2024</u> | <u>Variance</u> |
|----------------------------------------------|-----------------------|-----------------------|--------------------|
| <u>Assets</u> | | | |
| Current Assets | \$ 101,094 | \$ 100,397 | \$ 697 |
| Current portion of derivative asset | 64,288 | 68,654 | (4,366) |
| Derivative asset, net of current portion | 685,322 | 693,041 | (7,719) |
| Collateral Assets | 111,599 | 114,832 | (3,233) |
| Other Assets | 428,656 | 464,377 | (35,721) |
| Total Assets | <u>\$ 1,390,959</u> | <u>\$ 1,441,301</u> | <u>\$ (50,342)</u> |
| <u>Liabilities & Equity</u> | | | |
| Current Liabilities | \$ 53,881 | \$ 50,190 | \$ 3,691 |
| Current portion of derivative liability | 72,630 | 76,993 | (4,363) |
| Collateral Liability | 111,599 | 114,832 | (3,233) |
| Long Term Liabilities | 1,009,354 | 1,040,866 | (31,512) |
| Derivative liability, net of current portion | 727,947 | 717,604 | 10,343 |
| Equity | (584,452) | (559,184) | (25,268) |
| Total Liabilities & Equity | <u>\$ 1,390,959</u> | <u>\$ 1,441,301</u> | <u>\$ (50,342)</u> |

