Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2025

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

A This return/report is for:
- ☐ a multiemployer plan
- ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.)
- ☒ a single-employer plan
- ☐ a DFE (specify) _____

B This return/report is:
- ☐ the first return/report
- ☐ the final return/report
- ☐ an amended return/report
- ☐ a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. . . . . ▶ ☐

D Check box if filing under:
- ☒ Form 5558
- ☐ automatic extension
- ☐ the DFVC program
- ☐ special extension (enter description)

E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. . . . . ▶ ☐

Part II Basic Plan Information—enter all requested information

1a Name of plan
PEDERNALES ELECTRIC COOPERATIVE, INC. EMPLOYEES DEFINED BENEFIT RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1964

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
PEDERNALES ELECTRIC COOPERATIVE, INC.

201 SOUTH AVENUE F
JOHNSON CITY, TX 78636

2b Employer Identification Number (EIN) 74-0828412

2c Plan Sponsor's telephone number 830-868-4900

2d Business code (see instructions) 221100

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2026	SHANNON MOLONEY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☐ Same as Plan Sponsor

PEC PLAN ADMINISTRATION COMMITTEE

201 SOUTH AVENUE F
JOHNSON CITY, TX 78636

3b Administrator's EIN: 46-1149120

3c Administrator's telephone number: 830-868-4900

4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:

a Sponsor's name

c Plan Name

4b EIN

4d PN

5	Total number of participants at the beginning of the plan year	**5**	685
6	Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1)	Total number of active participants at the beginning of the plan year	**6a(1)**	151
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	139
b	Retired or separated participants receiving benefits	**6b**	393
c	Other retired or separated participants entitled to future benefits	**6c**	83
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	615
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	61
f	Total. Add lines **6d** and **6e**.	**6f**	676
g(1)	Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	**6g(1)**	
g(2)	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g(2)**	
h	Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1A

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

- (1) ☐ Insurance
- (2) ☐ Code section 412(e)(3) insurance contracts
- (3) ☒ Trust
- (4) ☐ General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

- (1) ☐ Insurance
- (2) ☐ Code section 412(e)(3) insurance contracts
- (3) ☒ Trust
- (4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information) – Number Attached _____
- (4) ☒ **C** (Service Provider Information)
- (5) ☐ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2025 Form M-1 annual report. If the plan was not required to file the 2025 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2025

This Form is Open to Public Inspection

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
PEDERNALES ELECTRIC COOPERATIVE, INC. EMPLOYEES DEFINED BENEFIT RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
PEDERNALES ELECTRIC COOPERATIVE, INC.

D Employer Identification Number (EIN)
74-0828412

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2025

2 Assets:

a Market value	**2a**	237401031
b Actuarial value	**2b**	239652968

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	449	147466503	147466503
b For terminated vested participants	99	11617110	11617110
c For active participants	151	67565420	77811432
d Total	699	226649033	236895045

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	

5 Effective interest rate	**5**	5.37 %
6 Target normal cost		
a Present value of current plan year accruals	**6a**	7095965
b Expected plan-related expenses	**6b**	175000
c Target normal cost	**6c**	7270965

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary

10/06/2026
Date

JAKE PRINGLE
Type or print name of actuary

26-07457
Most recent enrollment number

MILLIMAN, INC.
Firm name

713-658-8451
Telephone number (including area code)

1415 LOUISIANA STREET
SUITE 500
HOUSTON, TX 77002
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 1.69 %	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		6796153
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 5.14 %		349322
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		7145475
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14	Funding target attainment percentage	14	101.16 %
15	Adjusted funding target attainment percentage	15	101.16 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	108.75 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/14/2026	7270965				
			Totals ► 18(b)	7270965	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date.	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	6651844

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:	1st segment: 5.07 %	2nd segment: 5.31 %	3rd segment: 5.50 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	62

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

26 Demographic and benefit information

a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ☐ Yes ☒ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6c)	**31a**	7270965
b Excess assets, if applicable, but not greater than line 31a	**31b**	2757923

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____)_and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	4513042

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35)	**36**	4513042
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	6651844
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	2138802
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)

41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. ☐ 2019 ☐ 2020 ☐ 2021

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2025** **This Form is Open to Public Inspection.**

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

A Name of plan
PEDERNALES ELECTRIC COOPERATIVE, INC. EMPLOYEES DEFINED BENEFIT RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PEDERNALES ELECTRIC COOPERATIVE, INC.

D Employer Identification Number (EIN)
74-0828412

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MILLIMAN, INC.

91-0645641

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 17 15 36 64 70	ACTUARY	133131	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

CAPFINANCIAL PARTNERS, LLC

26-0058143

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 50	INVESTMENT ADVISOR	75097	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

US BANK

31-0841368

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 19 51	TRUSTEE	50896	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

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(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2025

This Form is Open to Public Inspection

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

A Name of plan
PEDERNALES ELECTRIC COOPERATIVE, INC. EMPLOYEES DEFINED BENEFIT RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PEDERNALES ELECTRIC COOPERATIVE, INC.

D Employer Identification Number (EIN)
74-0828412

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	335000	345000
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	7402155	7270965
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	1998926	2136231
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	3694215	3243031
(2) U.S. Government securities	1c(2)	35964641	35091031
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)	135189836	147749022
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	52742207	56454820
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	330730	260910

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
1e Buildings and other property used in plan operation	1e		
1f Total assets (add all amounts in lines 1a through 1e)	1f	237657710	252551010
Liabilities			
1g Benefit claims payable	1g		
1h Operating payables	1h		
1i Acquisition indebtedness	1i		
1j Other liabilities	1j		
1k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
1l Net assets (subtract line 1k from line 1f)	1l	237657710	252551010

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	7270965	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		7270965
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	7811332	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		7811332
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	150887	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		150887
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		13105679
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		28338863
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	13186439	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		13186439
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Recordkeeping fees	2i(3)	75209	
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)	75097	
(6) Bank or trust company trustee/custodial fees	2i(6)	50896	
(7) Actuarial fees	2i(7)	57922	
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines **2i(1)** through **(11)**	2i(12)		259124
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		13445563
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		14893300
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [X] Unmodified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) [X] DOL Regulation 2520.103-8 **(2)** [ ] DOL Regulation 2520.103-12(d) **(3)** [ ] neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: CROWE LLP **(2)** EIN: 30-1506626

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) [ ] This form is filed for a CCT, PSA, DCG or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	**4a**		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	**4b**		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	**4c**		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	**4d**		X	
e Was this plan covered by a fidelity bond?	**4e**	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)	**4j**	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	**4n**			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? [ ] Yes [X] No

If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ..... [X] Yes [ ] No [ ] Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 579736.

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2025

This Form is Open to Public Inspection.

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

A Name of plan
PEDERNALES ELECTRIC COOPERATIVE, INC. EMPLOYEES DEFINED BENEFIT RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PEDERNALES ELECTRIC COOPERATIVE, INC.

D Employer Identification Number (EIN)
74-0828412

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... | **1** |

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 94-1347393

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... | **3** | 1

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6	**a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	**6a**	
	b Enter the amount contributed by the employer to the plan for this plan year	**6b**	
	c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	**6c**	

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment)	**14a**	
b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	**14b**	
c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) and (b):

a Enter the percentage of plan assets held as:
Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%
High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:
☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more

20 **PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☒ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation._____

Part VII IRS Compliance Questions

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).

☐ Design-based safe harbor method

☐ "Prior year" ADP test

☐ "Current year" ADP test

☐ N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ___/___/_____ (MM/DD/YYYY) and the Opinion Letter serial number_____.

PEDERNALES ELECTRIC COOPERATIVE, INC.
EMPLOYEES DEFINED BENEFIT RETIREMENT PLAN

FINANCIAL STATEMENTS

December 31, 2025 and 2024

PEDERNALES ELECTRIC COOPERATIVE, INC.
EMPLOYEES DEFINED BENEFIT RETIREMENT PLAN
Johnson City, Texas

FINANCIAL STATEMENTS
December 31, 2025 and 2024

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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

To the Plan Administration Committee of
Pedernales Electric Cooperative, Inc.
Employees Defined Benefit Retirement Plan
Johnson City, Texas

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Pedernales Electric Cooperative, Inc. Employees Defined Benefit Retirement Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2025 and 2024, and the related statements of changes in net assets available for benefits for the years ended December 31, 2025 and 2024, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2025 and 2024 and for the years ended December 31, 2025 and 2024, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- The amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

- The information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

(Continued)

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan 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 ERISA Section 103(a)(3)(C) 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year from the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

(Continued)

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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

Other Matters - Supplemental Schedules Required by ERISA

The supplemental schedules of Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December, 31, 2025 and Schedule H, Line 4j – Schedule of Reportable Transactions for the year ended December 31, 2025, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. 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 financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

- The information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Crowe LLP

Crowe LLP

Houston, Texas
October 15, 2026

PEDERNALES ELECTRIC COOPERATIVE, INC.
EMPLOYEES DEFINED BENEFIT RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2025 and 2024

	2025	2024
ASSETS		
Noninterest-bearing cash	$ 345,000	$ 335,000
Investments at fair value	242,798,814	227,921,629
Receivables		
Employer contributions	7,270,965	7,402,155
Accrued income	2,136,231	1,998,926
Total receivables	9,407,196	9,401,081
NET ASSETS AVAILABLE FOR BENEFITS	$ 252,551,010	$ 237,657,710

See accompanying notes to financial statements.

PEDERNALES ELECTRIC COOPERATIVE, INC.
EMPLOYEES DEFINED BENEFIT RETIREMENT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Years ended December 31, 2025 and 2024

	2025	2024
Investment income:		
Net appreciation (depreciation) in fair value of investments	$ 13,105,679	$ (3,531,385)
Interest	7,811,332	7,103,461
Dividends	150,887	422,628
Total investment income (loss)	21,067,898	3,994,704
Employer contributions	7,270,965	7,402,155
Benefits paid directly to participants	(13,186,439)	(12,377,331)
Administrative expenses	(259,124)	(298,117)
Total deductions	(13,445,563)	(12,675,448)
Net increase (decrease)	14,893,300	(1,278,589)
Net assets available for benefits, beginning of year	237,657,710	238,936,299
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	$ 252,551,010	$ 237,657,710

See accompanying notes to financial statements.

NOTE 1 – DESCRIPTION OF PLAN

The Pedernales Electric Cooperative, Inc. Employees Defined Benefit Retirement Plan (the Plan) is a defined benefit pension plan established by Pedernales Electric Cooperative, Inc. (the Cooperative) to help eligible employees and their families prepare for their financial well-being when the employee retires from employment with the Cooperative. The Plan is designed to comply with certain requirements under the Internal Revenue Code (IRC) so that plan benefits may be provided on a tax-preferred basis to eligible employees. The Plan is subject to provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The following description of the Plan provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

The Plan was originally effective January 1, 1964 and was most recently amended and restated effective January 1, 2020. Due to previous mergers, the Plan includes certain former participants from the Kimble Retirement Plan and Envision Retirement Plan. Effective December 31, 2011, the Cooperative amended the Plan to reflect the merger of the Kimble Electric Cooperative (KEC) Retirement Plan. Effective December 31, 2003, the Cooperative also amended the Plan to reflect the merger of Envision Utility Software Corporation (Envision) Employees Defined Benefit Retirement Plan. In 2005, the Plan was amended to close entry to new participants after January 1, 2006. Employees hired before July 1, 2005, were eligible to participate in the Plan if they completed six months of service and were over the age of twenty years and six months as of the Plan's anniversary date. Effective January 1, 1995, the Plan recognized credited service from the Envision Employees Defined Benefit Retirement Plan.

Administration: A committee appointed by the Cooperative administers the Plan. The committee has overall responsibility for the operation and administration of the Plan. The committee determines the appropriateness of the Plan's investment offerings, monitors investment performance, and reports to the Cooperative. All Plan benefits are provided by a trust fund. The Cooperative acts as the administrator of the Plan. U.S. Bank National Association has been appointed by the Cooperative to perform the duties of the trustee of the trust fund used to fund the Plan.

Funding Policy: The Plan's funding policy is for the Cooperative to contribute an amount that will meet or exceed the annual ERISA minimum requirement. The Cooperative contributes to the trust fund based on information supplied by an independent actuary. During 2025 and 2024, the Cooperative made employer contributions of $7,270,965 and $7,402,155, respectively. The Cooperative's contributions for 2025 and 2024 exceeded the minimum funding requirements of ERISA. Although it has not expressed any intention to do so, the Cooperative has the right under the Plan to discontinue its contribution at any time and to terminate the Plan subject to the provisions set forth in ERISA.

Pension Benefits: For benefit determinations on or after January 1, 2002, the monthly retirement benefit at normal retirement age is generally equal to 1.75% of the average of the highest 36 months of considered pay (previously, 60 months), as defined by the Plan, for each year of credited service (former KEC employees receive 2% for each year of benefit accrual service credited as of December 31, 2001). The 36 months chosen shall be three separate and nonoverlapping 12 consecutive month periods. The Plan allowed for recognition of active military service for benefit purposes. For every five years of active military service, a participant was given one year of Cooperative service, up to a total of five years. Any active military service credited under retirement benefits that a participant is entitled to receive from the military is not also credited for the purposes of the Plan. This military service feature applied only to active employees employed on January 1, 1994 as a one-time offering.

Maximum allowable benefits paid have been limited pursuant to certain provisions of the IRC, as revised by the Tax Reform Act of 1986. Effective January 1, 1989, the Plan was amended to apply the minimum distribution requirements of IRC section 401(a)(9) to all active employees working beyond the age of 70 unless such age was attained prior to January 1, 1988.

(Continued)

NOTE 1 – DESCRIPTION OF PLAN (Continued)

Effective January 1, 2011, the preretirement death benefit for active participants was changed via Plan amendment (executed November 15, 2010) to be equal to the present value of the accrued benefit. Prior to January 1, 2011, the preretirement death benefit for active participants was the excess over $50,000, if any, of the greater of (a) the present value of the accrued retirement benefit at the date of death or (b) 100 times the expected monthly retirement benefit, plus the value of the derived employee accrued benefit. In the event of the death of a vested terminated participant, a benefit that is actuarially equivalent to his or her vested accrued benefit (subject to certain Plan provisions) shall be paid to the beneficiary.

In the event of the death of a participant to whom benefit payments have commenced, the payment of continuing benefits to any surviving spouse or other beneficiary shall be in accordance with the form of benefit payment under which the retired participant was receiving benefits at the time of his or her death.

Early retirement benefits are available to participants who are age 55 or over and have completed 10 or more years of credited service. Early retirement benefits equal 100% of the accrued benefit provided that the age of the participant added to the number of years of credited service equals or exceeds 80 years (Rule of 80). If the participant takes early retirement and has not satisfied the Rule of 80, the participant's accrued benefit will be reduced by 5% for each year (0.4167% for each month) between the date of retirement and normal retirement date.

Lump sum payments are not available to a Plan participant unless the total benefit is less than $25,000 or the payment results from the pre-retirement death of an active participant.

Vesting: Participants become 100% vested in their employer-derived accrued benefits upon completing five years of vesting service or attaining normal retirement age, whichever occurs first. Certain former participants of merged retirement plans are subject to separate vesting provisions as specified in the Plan document.

Administrative Expenses: The Plan's expenses are paid either by the Plan or the Cooperative, as provided by the plan document. Expenses that are paid directly by the Cooperative are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statements of changes in net assets available for benefits. In addition, certain investment-related expenses are included in net appreciation in fair value of investments presented in the accompanying statements of changes in net assets available for benefits.

Subsequent Events: The Plan has evaluated subsequent events through October 15, 2026, the date the financial statements were available to be issued.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting: The financial statements of the Plan are prepared on the accrual basis of accounting.

Estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires the Cooperative to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein; disclosure of contingent assets and liabilities; and the actuarial present value of accumulated Plan benefits at the date of the financial statements, and changes therein. Actual results could differ from those estimates.

(Continued)

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (Continued)

Investment Valuation and Income Recognition: Investments are reported at fair value. Fair value is the price that would be received by the Plan for an asset or paid by the Plan to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date in the Plan's principal or most advantageous market for the asset or liability. The Cooperative determines the Plan's valuation policies utilizing information provided by the trustee. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the Plan year.

Benefits Paid: Benefits are recorded when paid.

Risks and Uncertainties: The Plan holds various investments. Investments are exposed to various risks such as interest rate, market, liquidity, credit and risks related to global events. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the fair values of investments will occur in the near term and that such changes could materially affect participant's account balances and the amounts reported in the statements of net assets available for benefits.

Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

NOTE 3 – CERTIFIED INVESTMENTS

Certain information related to investments disclosed in the accompanying financial statements and ERISA-required supplemental schedules, including investments held at December 31, 2025 and 2024, net appreciation in fair value of investments, and interest and dividends, was obtained by management and agreed to or derived from information certified as complete and accurate by U.S. Bank National Association.

NOTE 4 – FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- *Level 1* – Unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access as of the measurement date.
- *Level 2* – Significant other observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- *Level 3* – Significant unobservable inputs for the asset or liability. Level 3 inputs include the Plan's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

(Continued)

NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)

In some cases, a valuation technique used to measure fair value may include inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The following descriptions are of the valuation methods and assumptions used by the Plan to estimate the fair values of investments.

Money Market Fund: Fair value is estimated to approximate the cost basis of the deposit account balance, based upon the liquidity of the account and the credit quality of the issuer (Level 1 inputs).

Mutual Funds: The fair values of mutual funds are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

Corporate Bonds and Fixed Income Securities: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar securities, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks (Level 2 inputs).

U.S. Government Bonds, Securities, and Municipal Bonds: Certain U.S. government bonds and securities are valued at the closing price reported in the active market in which the security is traded (Level 1 inputs).

Limited Partnership Interests: Valued based on the closing market price reported on the active market on which the underlying investments are traded and current appraisals (Level 1 inputs).

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2025:

	2025			
	Level 1	Level 2	Level 3	Total
Money market fund	$ 3,243,031	$ -	$ -	$ 3,243,031
Mutual funds	56,454,820	-	-	56,454,820
Corporate bonds and fixed income securities	-	147,749,022	-	147,749,022
U.S. government bonds, securities, and municipal bonds	35,091,031	-	-	35,091,031
Limited partnership interests	260,910	-	-	260,910
Total investments at fair value	$ 95,049,792	$ 147,749,022	$ -	$ 242,798,814

(Continued)

NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2024:

	2024			
	Level 1	Level 2	Level 3	Total
Money market fund	$ 3,694,215	$ -	$ -	$ 3,694,215
Mutual funds	52,742,207	-	-	52,742,207
Corporate bonds and fixed income securities	-	135,189,836	-	135,189,836
U.S. government bonds, securities, and municipal bonds	35,964,641	-	-	35,964,641
Limited partnership interests	330,730	-	-	330,730
Total investments at fair value	$ 92,731,793	$ 135,189,836	$ -	$ 227,921,629

NOTE 5 – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to retired or terminated employees or their beneficiaries, beneficiaries of employees who have died, and present eligible employees or their beneficiaries. The accumulated plan benefits for active employees are based on the years of service ending on the date of which the benefit information is presented (the valuation date). Benefits payable under all circumstances (retirement, death, full and permanent disability and termination of employment) are included, to the extent they are deemed attributable to employee service rendered to the valuation date. The significant actuarial assumptions used by the Plan's actuaries to arrive at the valuations of the Plan as of January 1, 2025 and January 1, 2024, are as follows:

	January 1, 2025	January 1, 2024
Mortality	Pri-2012 base mortality with MP-2021 projection scale.	Pri-2012 base mortality with MP-2021 projection scale.
Retirement Age	Rates of retirement are according to a table ranging from 10% for age 50 up to 100% at age 70 and above.	Rates of retirement are according to a table ranging from 10% for age 50 up to 100% at age 70 and above.
Termination	Probabilities that active participants will terminate are according to a table ranging from 10% for age 30 to 5% at age 45 and and 0% for 50 and above.	Probabilities that active participants will terminate are according to a table ranging from 10% for age 30 to 5% at age 45 and and 0% for 50 and above.
Disability	Rates of disability are according to a table ranging from .22% for age 30 up to 2.80% at age 60 and above.	Rates of disability are according to a table ranging from .22% for age 30 up to 2.80% at age 60 and above.
Discount Interest Rate	5.02%	5.25%

(Continued)

NOTE 5 – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS (Continued)

The actuarial present value of accumulated plan benefits is determined by actuaries from Milliman, the Plan's actuary, and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as death, full or permanent disability, withdrawal or retirement) between the valuation date and the expected date of payment.

NOTE 6 – ACCUMULATED PLAN BENEFITS AND CHANGES IN ACCUMULATED PLAN BENEFITS

A summary of the actuarial present value of accumulated plan benefits as determined by the Plan's actuary is as follows at January 1:

	January 1, 2025	January 1, 2024
Actuarial present value of accumulated plan benefits		
Vested benefits:		
Active participants	$ 69,938,733	$ 62,927,993
Participants with deferred benefits	12,187,999	10,598,324
Participants in pay status	149,127,640	130,133,627
	231,254,372	203,659,944
Present value of non-vested accumulated plan benefits	10,481,988	9,781,314
Total actuarial present value of accumulated plan benefits	$ 241,736,360	$ 213,441,258

The actuarial present value of changes in accumulated plan benefits is as follows at January 1:

	January 1, 2025	January 1, 2024
Actuarial present value of accumulated plan benefits at beginning of year	$ 213,441,258	$ 204,364,910
Increase (decrease) during the year attributable to:		
Reduction in discount period	12,025,709	11,524,975
Benefits accumulated	6,853,738	5,632,885
Actuarial loss	1,978,864	3,397,157
Benefit payments	(12,377,331)	(11,478,669)
Change in actuarial assumptions	19,814,122	-
Net increase	28,295,102	9,076,348
Actuarial present value of accumulated plan benefits at end of year	$ 241,736,360	$ 213,441,258

For the January 1, 2025 valuation, the Plan's actuary updated certain actuarial assumptions, including the interest rates used for funding and PBGC purposes, the discount rate used for financial reporting, and administrative expense assumptions. These changes reflect updated statutory interest rates, current market conditions, and actual Plan expenses.

(Continued)

NOTE 7 – PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor regulations as any fiduciary of the Plan, any party rendering services to the Plan, the Cooperative and certain others. The Plan also paid certain expenses related to Plan operations and investment activity to the trustee. These transactions are permitted under the provisions of the Plan and are exempt from the prohibited transaction rules under ERISA.

NOTE 8 – PLAN TERMINATION

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

Benefits attributable to employee contributions, taking into account those paid out before termination.

- Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.
- Other vested benefits insured by the PBGC (a U.S. government agency) up to the applicable limitations.
- All other vested benefits (that is, vested benefits not insured by PBGC).
- All non-vested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Cooperative and the level of benefits guaranteed by the PBGC.

NOTE 9 – TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service dated February 26, 2013, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. Plan management believes that the Plan is designed and being operated in compliance with the applicable requirements of the IRC. Therefore, they believe the Plan is qualified and the related trust is tax-exempt.

(Continued)

NOTE 9 – TAX STATUS (Continued)

U.S. GAAP require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Plan management has analyzed tax positions taken by the Plan, and has concluded that as of December 31, 2025 and 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress. The Plan administrator believes the Plan is no longer subject to federal income tax examinations for years prior to 2022.

NOTE 10 – JANUARY 1, 2026 ACTUARIAL VALUATION (UNAUDITED)

The January 1, 2026 actuarial valuation was completed prior to the release of the financial statements. A summary of the actuarial valuation information provided by the Plan's actuary, which has not been audited by independent accountants, is provided below for information purposes.

A summary of the actuarial present value of accumulated plan benefits as determined by the Plan's actuary is as follows at January 1, 2026:

Actuarial present value of accumulated plan benefits	
Vested benefits:	
Active participants	$ 72,652,097
Participants with deferred benefits	12,857,579
Participants in pay status	154,472,503
	239,982,179
Present value of non-vested accumulated plan benefits	9,809,461
Total actuarial present value of accumulated plan benefits	$ 249,791,640
Actuarial present value of accumulated plan benefits at beginning of year	$ 241,736,360
Increase (decrease) during the year attributable to:	
Reduction in discount period	11,761,178
Benefits accumulated	7,736,879
Actuarial loss	1,743,662
Benefit payments	(13,186,439)
Change in actuarial assumptions	-
Net increase	8,055,280
Actuarial present value of accumulated plan benefits at end of year	$ 249,791,640

Pedernales Electric Cooperative, Inc.

EIN: 74-0828412

PN: 001

Schedule SB, Line 22 Weighted Average Retirement Age

The weighted average retirement age for active participants is 62. This equals the sum, over all retirement ages, of the retirement age multiplied by the probability of retiring at that age, as shown in the following table.

(a)	(b)	(c)	(d)	(e)
			(b) x (c) =	(a) x (d) =
Possible Retirement Age "r"	Expected Active Headcount	Retirement Rate	Expected Retirements	Component of Weighted Average Retirement Age
50	31.6094	0.0321	1.0137	50.6848
51	39.1903	0.0360	1.4097	71.8954
52	43.2197	0.0965	4.1687	216.7712
53	45.2995	0.0816	3.6957	195.8738
54	49.7599	0.0964	4.7968	259.0256
55	59.9756	0.1082	6.4874	356.8085
56	54.3055	0.1016	5.5191	309.0672
57	50.6284	0.1153	5.8361	332.6598
58	47.6439	0.1168	5.5643	322.7272
59	48.9264	0.1026	5.0178	296.0526
60	53.6364	0.1022	5.4824	328.9440
61	49.6720	0.0985	4.8940	298.5361
62	48.3899	0.1970	9.5344	591.1320
63	44.5653	0.0985	4.3898	276.5547
64	47.9091	0.0985	4.7188	302.0008
65	47.8220	0.1970	9.4187	612.2165
66	40.0947	0.1969	7.8948	521.0542
67	33.0847	0.1969	6.5130	436.3716
68	27.6384	0.1968	5.4395	369.8856
69	23.4071	0.1968	4.6058	317.7986
70	18.1222	1.0000	18.1222	1,268.5574
71	0.0000	1.0000	0.0000	0.0000
72	0.0000	1.0000	0.0000	0.0000
73	0.0000	1.0000	0.0000	0.0000
74	0.0000	1.0000	0.0000	0.0000
75	1.0000	1.0000	1.0000	75.0000
			125.5227	7,809.6177
			Weighted Average Retirement Age:	62.22
			Rounded to Nearest Age:	62

Appendix A – Summary of Actuarial Methods

The ultimate cost of a pension plan is the excess of actual benefits and administrative expenses paid over actual net investment return on plan assets during the plan's existence until the last payment has been made to the last participant. A plan's "actuarial cost method" determines the expected incidence of actuarial costs by allocating portions of the ultimate cost to each plan year. The cost method is thus a budgeting tool to help ensure that a plan will be adequately and systematically funded and accounted for. Annual contributions and accounting expense are also affected by a plan's "asset valuation method" (as well as plan provisions, actuarial assumptions, and actual plan demographic and investment experience each year).

Actuarial Cost Method

The actuarial cost method used for determining the Plan's ERISA funding requirements and the FASB ASC Topic 960 values is the Unit Credit method. Under this method, an accrued benefit is determined at each active participant's assumed retirement age based on compensation and service at both the beginning and the end of the current year. The Plan's Normal Cost is the sum of the present value of the excess of each active participant's accrued benefit at the end of the current year over that at the beginning of the current year. The Plan's accrued liability is the sum of (a) the present value of each active participant's accrued benefit at the beginning of the current year plus (b) the present value of each inactive participant's benefits. This method is prescribed for ERISA funding requirements by the Pension Protection Act of 2006.

The actuarial cost method used for determining the Plan Sponsor's FASB ASC Topic 715 accounting requirements is the Projected Unit Credit method, as required by FASB. Under this method, a projected benefit is determined at each active participant's assumed retirement age, assuming future compensation increases. The Plan's Normal Cost is the sum of the present value of the portion of each active participant's projected benefit attributable to the current year of service. The Plan's accrued liability is the sum of (a) the present value of the portion of each active participant's projected benefit attributable to all prior years of service plus (b) the present value of each inactive participant's benefits.

Asset Valuation Method

The Actuarial Value of Assets used for determining the Plan's ERISA funding requirements is based on the permitted three-year asset smoothing as defined under IRS Notice 2009-22. Under this method, the Actuarial Value of Assets equals the Market Value of Assets minus one-third and two-thirds, respectively, of the investment gain or loss for each of the two immediately preceding plan years, but it must be within 90% to 110% of the Market Value of Assets. The Market Value of Assets is equal to the Fair Value of Assets as of the valuation date plus the discounted value of employer contributions made after the valuation date. These contributions are discounted to the valuation date using the Effective Interest Rate for the prior plan year. The expected investment return for a plan year is based on the lesser of the expected rate of return on plan assets (currently 5.80% per year) or the applicable statutory interest rate for the year.

The Market-Related Value of Assets used for determining the Plan Sponsor's FASB ASC Topic 715 accounting requirements is equal to the Fair Value of Assets (without inclusion of any receivable contributions). The expected investment return for a plan year is based on the expected rate of return on plan assets (currently 5.80% per year).

PBGC Variable-Rate Premium Method

The alternative method is used for the PBGC variable-rate premium calculation (adopted January 1, 2020).

Amortization Method

For the Plan's ERISA funding requirements, incremental Funding Shortfall amounts are amortized over a fifteen-year period, and the related shortfall amortization payment is determined on the first valuation date following the plan year in which it arises based on the segment rates used for ERISA minimum funding purposes on that date, as prescribed under IRC Section 430.

For FASB ASC Topic 715 accounting purposes, cumulative unrecognized net gains or losses (excluding asset gains or losses not yet reflected in the Market-Related Value of Assets) in excess of 10% of the greater of (a) the Market-Related Value of Assets and (b) the Projected Benefit Obligation are amortized over the average future service of active participants.

ASOP 56 Modeling

ASOP 56 provides guidance to actuaries in respect to the development and involvement of models used in their actuarial services. The signing actuary should have a limited ability either to obtain information about the model or to understand the underlying workings of the model. Certain disclaimers and disclosures are required whenever particular models or field experts are relied upon.

The valuation results were developed using models intended for valuations that use standard actuarial techniques.

Changes in Actuarial Methods Since Prior Valuation

None.

Appendix B – Summary of Actuarial Assumptions

ECONOMIC ASSUMPTIONS

Interest Rates

The current funding and PBGC interest rates are as follows. The funding interest rates are prescribed under IRS regulations based on the Plan Sponsor's interest rate election. The PBGC interest rates are based on the Plan Sponsor's elected method for determining the premium funding target.

	Minimum Funding	Maximum Deductible	PBGC Premium
Segment 1 (0–5 years)	5.07%	5.07%	5.07%
Segment 2 (5–20 years)	5.31%	5.33%	5.33%
Segment 3 (20+ years)	5.50%	5.36%	5.36%
Effective Interest Rate	5.37%	5.33%	5.33%

ERISA minimum funding: 24-month average segment rates, using a four-month lookback period, adjusted to reflect the applicable segment rate stabilization corridor (adopted January 1, 2010).

Maximum Deductible Contribution: 24-month average segment rates, using a four-month lookback period, but not adjusted to reflect segment rate stabilization (adopted January 1, 2010).

PBGC premium: 24-month average segment rates, using a four-month lookback period, but not adjusted to reflect segment rate stabilization. The alternative method (adopted January 1, 2020) is used for the PBGC variable-rate premium calculation.

FASB ASC Topic 715: 5.61% per year (adopted December 31, 2024). This discount rate reflects the theoretical rate at which the liabilities could be settled in the bond market as of December 31, 2024. It is based on the FTSE Above Median Double-A Index and the Plan's payouts.

FASB ASC Topic 960: 5.00% per year (adopted January 1, 2025). This represents the expected long-term geometric mean return on assets based on the Plan's investment policy, including target asset allocation, and the actuary's capital market expectations.

Asset Returns

ERISA minimum funding and Maximum Deductible Contribution: 5.00% per year (adopted January 1, 2025). This represents the expected long-term geometric mean return on assets based on the Plan's investment policy, including target asset allocation, and the actuary's capital market expectations.

FASB ASC Topic 715: 5.00% per year (adopted December 31, 2024). This represents the expected long-term arithmetic mean return on assets based on the Plan's investment policy, including target asset allocation, and the Plan Sponsor's capital market expectations.

Compensation Increases

4.00% per year, with increases assumed to occur at beginning of year. This assumption represents an estimate of future experience.

Inflation (CPI)

2.31% per year (adopted December 31, 2023). It is based on Milliman's capital market expectations.

Postretirement Benefit Increases

None. (The Plan does not provide for automatic postretirement benefit increases.)

Maximum Benefit and Annual Compensation Limitation Increases

ERISA minimum funding and Maximum Deductible Contribution: 0% per year as required by statute.

FASB ASC Topics 715 and 960: The assumed inflation assumption of 2.31% per year (adopted January 1, 2024 for FASB ASC Topic 960 and December 31, 2023 for FASB ASC Topic 715).

Social Security Taxable Wage Base Increases

3.00% per year.

Administrative Expenses

An allowance of $175,000 for administrative expenses has been included in the Target Normal Cost, reflecting the actual administrative expenses paid from the Plan's trust during the previous year, rounded to the nearest $1,000.

DEMOGRAPHIC ASSUMPTIONS

Except where noted, demographic assumptions are based on the actuary's judgment and continued review of experience.

Mortality

ERISA minimum funding, Maximum Deductible Contribution, and PBGC premium: Statutory generational mortality tables for 2024 based on Pri-2012 Mortality Table, with separate rates for non-annuitants and annuitants, adjusted from base year 2012 with projections to anticipate greater future longevity using the 2024 Adjusted Scale MP-2021.

FASB ASC Topics 715 and 960: Pri-2012 Blue Collar Employee/Retiree/Survivor/Disabled Mortality Tables for M/F projected forward with MP-2021.

Retirement

Eligible participants are assumed to retire based on the following rates, with the exception that participants with a Rule of 80 date prior to age 65 are assumed to retire at a rate of 0% per year to their Rule of 80 date and at a rate of 30% in the first year they are eligible for the Rule 80:

Age	Rate
50–61	10%
62	20%
63–64	10%
65–69	20%
70+	100%

Terminated vested participants are assumed to retire at age 65.

Termination

Annual rates of termination are based on years of service and age. Sample rates are shown in the following table.

Age	Termination (Entry Age Under 30)	Termination (Entry Age 30 and Over)
30	10.0%	10.0%
35	7.5%	7.5%
40	5.0%	5.0%
45	5.0%	5.0%
50	0.0%	5.0%
55	0.0%	0.0%
60	0.0%	0.0%

Disability

Sample annual rates are shown in the following table.

Age	Rate
30	0.22%
35	0.33%
40	0.43%
45	0.81%
50	1.18%
55	1.89%
60	2.60%

Decrement Timing

Decrements are assumed to occur at the middle of the year, except that 100% retirement (see above) is assumed to occur at the beginning of the year.

Form of Payment

For participants in pay status: Actual forms of payment are included in the census data.

For participants not in pay status: Normal form of payment (10-year certain and life annuity) is assumed.

Marital Characteristics

For participants not in pay status: Not applicable; all death benefits are paid in full to both married and single participants.

For participants in pay status: Actual birth dates of beneficiaries are included in the census data, where relevant.

For beneficiaries: Actual birth dates are included in the census data, where relevant.

Benefits Not Valued

All plan benefits are valued.

Special Data Adjustments

Unused sick leave is assumed to increase the aggregate retirement, death and disability benefits by 2.5%.

Appendix C – Summary of Principal Plan Provisions

This summary of plan provisions is intended to only describe the essential features of the Plan. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself.

Definitions

Accrued Benefit: Payable in monthly installments. Monthly amount equal to 1.75% of Average Compensation per year of Credited Service, except that 2% shall be used for each year of benefit accrual service as of December 31, 2001 under the NRECA pension program for eligible former KEC employees. In addition, December 31, 2001 accrued benefits under the NRECA pension program are automatically increased each January 1 by 50% of the prior September 30th CPI-U, but not more than 10%.

Actuarially Equivalent: Equality in value such that the present value of the amount under any form of payment is essentially the same as the present value of the amount under the normal form of annuity payment for single participants. In general, for purposes other than determining lump-sum amounts, actuarially equivalent factors are based on the 1984 Unisex Pensioner Mortality Table with a 3-year setback and effective annual rate of 8%. For purposes of determining lump-sum amounts, actuarially equivalent factors are based on the applicable mortality table in effect under IRC Section 417(e)(3) for the plan year of distribution and the statutory three-tier segment interest rates in effect for the third month prior to the plan year of distribution (i.e., annual stability period with a third-month lookback period).

Average Monthly Compensation: The average of monthly Compensation in the three consecutive plan years for which such average is the highest.

Compensation: Considered monthly compensation for a given month with respect to any participant means such participant's monthly base rate of pay, determined as of the first day of such month.

Credited Service: Prior to January 1, 1994, any period of time during which an employee is employed by the employer. Effective January 1, 1994, Credited Service is earned only for periods while employed in a capacity which would produce 1,000 or more hours of service during a 12-month period.

Additional service: service credited with Lower Colorado River Authority, Kimble Electric Cooperative (specific service for KEC found in Addendum A of the Plan)

For retirement, death, and disability benefits, unused sick leave is converted to Credited Service at the rate of 8 hours = 1 day of service.

Maximum Credited Service earned prior to April 1, 1999 is 45 years.

Plan Effective Date: January 1, 1964; the Plan was last amended effective December 8, 2014.

Plan Year: The 12-month period beginning January 1 and ending December 31.

Vesting Service: Any period of time during which an employee is employed by the employer.

Eligibility for Participation

Participation begins on the January 1 following the completion of six months of service and attainment of age 20½, except that no employee will enter the plan after January 1, 2006.

Normal Retirement

Normal Retirement Date: The first day of the month coincident with or next following the attainment of age 65, or if later, the 5th anniversary of employment.

Normal Retirement Benefit: The Accrued Benefit.

Early Retirement

Early Retirement Date: Any Participant who has attained age 55 and completion of 10 years of Crediting Service, or the attainment of the Rule of 80, or former KEC employees who have attained age 55 may elect early retirement on the first day of any calendar month following the termination of Service.

Early Retirement Benefit: Accrued Benefit as of Early Retirement Date reduced by 5% for each year that commencement precedes Normal Retirement Date, unless the participant satisfies the Rule of 80 in which case there is no reduction. For eligible former KEC participants a reduction of 1/180 for each month up to 60 and 1/360 for each additional month shall apply to accrued benefit transferred in from the NRECA pension program if a larger total benefit results.

Deferred Retirement

Deferred Retirement Date: The first day of the month coincident with or next following the date of termination of service if it occurs after the Normal Retirement Date.

Deferred Retirement Benefit: The greater of (a) the Accrued Benefit determined as of the Deferred Retirement Date or (b) the Accrued Benefit determined as of the Normal Retirement Date (or the first day of any plan year following the Normal Retirement Date) and actuarially increased to the Deferred Retirement Date.

Termination

Termination Date: The date of termination of service other than for reasons of retirement, disability, or death.

Termination Benefit: The Accrued Benefit, multiplied by the vested percentage in the following table, payable at the Normal Retirement Date, or payable as of the first day of any month coincident with or next following attainment of early retirement eligibility have been completed.

Years of Vesting Service	Vested Percentage
Less than 5	0%
5 or more	100%

Preretirement Death

Preretirement Death Benefit Eligibility: All death benefits are paid in full to both married and single participants.

Preretirement Death Benefit: The benefit may be paid to the beneficiary as a 5, 10, 15, or 20 Year Certain Only Annuity, or a Lump sum.

Disability Retirement

Disability Retirement Eligibility: If a participant becomes totally and permanently disabled prior to retirement, he shall be eligible to receive an immediate monthly benefit.

Disability Retirement Benefit: The amount of the benefit shall be Actuarial Equivalent of the Accrued Benefit as of the termination date from disability.

Forms of Payment

Normal Forms: 10 Year Certain and Life Annuity (50% Joint and Survivor for the December 31, 2001 accrued benefit from the NRECA pension Program for eligible former KEC participants).

Optional Forms: Life annuity; actuarially equivalent life annuity with 10 or 20 years certain; actuarially equivalent joint and 50%, 75%, or 100% (as elected) survivor annuity with 0, 10, or 20 years certain; lump-sum distribution up to 25,000 (The December 31, 2001 accrued benefit under the NRECA pension program for eligible former KEC participants may be paid as a Lump Sum without regard to the $25,000 limit).

Changes in Principal Plan Provisions Since Prior Valuation

IRC Section 401(a)(17) compensation limit: From $345,000 to $350,000, as required by statute.

IRC Section 415(b) annual benefit limit: From $275,000 to $280,000, as required by statute.

Pedernales Electric Cooperative, Inc.

EIN: 74-0828412

PN: 001

Schedule SB, line 26 – Active Participants Schedule

Active Participants by Age and Service

The number of active participants, summarized by attained age and years of credited service as of January 1, 2025, is shown below.

	Years of Credited Service										
Age	**0**	**1–4**	**5–9**	**10–14**	**15–19**	**20–24**	**25–29**	**30–34**	**35–39**	**40+**	**Total**
0–24	-	-	-	-	-	-	-	-	-	-	-
25–29	-	-	-	-	-	-	-	-	-	-	-
30–34	-	-	-	-	-	-	-	-	-	-	-
35–39	-	-	-	-	-	-	-	-	-	-	-
40–44	-	-	-	-	-	10	1	-	-	-	11
45–49	-	-	-	-	-	17	7	-	-	-	24
50–54	-	-	-	-	2	14	16	6	-	-	38
55–59	-	-	-	-	1	12	14	5	1	-	33
60–64	-	-	-	-	-	17	5	3	4	3	32
65–69	-	-	-	-	-	7	2	1	1	1	12
70+	-	-	-	-	-	1	-	-	-	-	1
Total	-	-	-	-	3	78	45	15	6	4	151

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2025

This Form is Open to Public Inspection

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
Pedernales Electric Cooperative, Inc. Employees Defined Benefit Retirement Plan

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
Pedernales Electric Cooperative, Inc.

D Employer Identification Number (EIN)
74-0828412

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2025

2 Assets:

a Market value	**2a**	237,401,031
b Actuarial value	**2b**	239,652,968

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	449	147,466,503	147,466,503
b For terminated vested participants	99	11,617,110	11,617,110
c For active participants	151	67,565,420	77,811,432
d Total	699	226,649,033	236,895,045

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5 Effective interest rate	**5**	5.37 %
6 Target normal cost		
a Present value of current plan year accruals	**6a**	7,095,965
b Expected plan-related expenses	**6b**	175,000
c Target normal cost	**6c**	7,270,965

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Jake Pringle
Signature of actuary

10/6/2026
Date

Jake Pringle
Type or print name of actuary

26-07457
Most recent enrollment number

Milliman, Inc.
Firm name

(713) 658-8451
Telephone number (including area code)

1415 Louisiana Street
Suite 500
Houston TX 77002
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 1.69%	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		6,796,153
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 5.14%		349,322
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		7,145,475
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14	Funding target attainment percentage	14	101.16%
15	Adjusted funding target attainment percentage	15	101.16%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	108.75%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/14/2026	7,270,965				
			Totals ► 18(b)	7,270,965	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	6,651,844

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
5.07 %	5.31 %	5.50 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	62

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment ☐ Yes ☒ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment ☐ Yes ☒ No

26 Demographic and benefit information

a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment ☒ Yes ☐ No

b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ☐ Yes ☒ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):		
a Target normal cost (line 6c)	**31a**	7,270,965
b Excess assets, if applicable, but not greater than line 31a	**31b**	2,757,923

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	4,513,042

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35)	**36**	4,513,042
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	6,651,844
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	2,138,802
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)

41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. ☐ 2019 ☐ 2020 ☐ 2021

PEDERNALES ELECTRIC COOPERATIVE, INC.
EMPLOYEES DEFINED BENEFIT RETIREMENT PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2025

Name of Plan Sponsor: Pedernales Electric Cooperative, Inc.
Employee Identification Number: 74-0828412
Three-digit Plan Number: 001

(a) Party in Interest	(b) Identity of Issue	(c) Maturity Date/ Description of Investment	(d) Cost	(e) Current Value
	Money Market Fund			
	First American Government Obligations Fund Class Z	Cash equivalent	$ 3,243,031	$ 3,243,031
	Mutual Funds:			
	Great Gray Collective Investment TR	2,537,136 shares	46,099,776	56,454,820
	Total Mutual Funds		46,099,776	56,454,820
	Corporate Bonds and Fixed Income Securities:			
	3M Company	04/15/2050; 3.700%	396,985	286,053
	Abbvie Inc	11/06/2042; 4.400%	800,988	747,180
	Abbvie Inc	05/14/2045; 4.700%	88,881	76,868
	Abbvie Inc	05/14/2046; 4.450%	286,075	260,754
	Abbvie Inc	11/21/2049; 4.250%	207,814	144,123
	Ace Ina Holdings	03/13/2043; 4.150%	193,527	163,472
	Aep Transmission Co	04/01/2050; 3.650%	659,133	492,958
	Aflac Inc	10/15/2046; 4.000%	235,460	204,383
	Air Prods Chems Inc	05/15/2050; 2.800%	24,909	15,919
	Aker Bp Asa Sr Glbl	06/13/2033; 6.000%	155,811	156,969
	Alabama Pwr Co	12/01/2042; 3.850%	341,289	278,025
	Alabama Pwr Co	03/15/2052; 3.000%	824,502	657,223
	Alabama Pwr Co Sr	07/15/2051; 3.120%	332,298	211,680
	Allstate Corp	06/15/2043; 4.500%	324,630	266,960
	Allstate Corp	12/15/2046; 4.200%	499,956	428,116
	Allstate Corp Sr	12/15/2030; 1.450%	159,001	143,854
	Altria Group Inc	05/02/2043; 4.500%	696,682	656,864
	Altria Group Inc	02/04/2051; 3.700%	381,999	289,727
	Amazon Com	04/13/2052; 3.950%	603,728	483,873
	Amazon Com Inc	12/05/2034; 4.800%	293,536	292,698
	Amazon Com Inc	12/05/2044; 4.950%	257,583	206,755
	Amazon Com Inc	08/22/2037; 3.880%	193,785	178,850
	Amazon Com Inc	12/01/2032; 4.700%	292,497	298,114
	Amazon Com Inc	05/12/2031; 2.100%	404,665	379,436
	Amazon Com Inc Sr Nt	06/03/2050; 2.500%	79,182	47,814
	American Intl Group	04/01/2048; 4.750%	268,155	240,019
	American Intl Group	06/30/2050; 4.380%	666,566	530,028
	Amgen Inc	02/21/2050; 3.380%	330,898	252,629
	Amgen Inc	02/22/2052; 4.200%	288,542	245,914
	Anheuser Busch Co	02/01/2036; 4.700%	456,243	450,382
	Anheuser Busch Inbev	06/15/2035; 5.880%	614,576	592,213
	Anthem Inc	05/15/2042; 4.620%	1,395,591	1,219,188
	Aon Corp Aon Global	02/28/2052; 3.900%	555,133	437,662
	Appalachian Power	05/01/2050; 3.700%	365,836	253,876
	Apple Inc	05/04/2043; 3.850%	911,051	810,883
	Apple Inc	02/09/2045; 3.450%	524,822	453,632

(Continued)

PEDERNALES ELECTRIC COOPERATIVE, INC.
EMPLOYEES DEFINED BENEFIT RETIREMENT PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2025

Name of Plan Sponsor: Pedernales Electric Cooperative, Inc.
Employee Identification Number: 74-0828412
Three-digit Plan Number: 001

(a) Party in Interest	(b) Identity of Issue	(c) Maturity Date/ Description of Investment	(d) Cost	(e) Current Value
	Apple Inc	02/23/2046; 4.650%	$ 644,598	$ 491,178
	Apple Inc	11/13/2047; 3.750%	372,023	312,757
	Apple Inc	02/08/2031; 1.650%	794,712	717,963
	Apple Inc	08/05/2051; 2.700%	908,871	750,004
	Apple Inc	05/10/2033; 4.300%	659,413	668,633
	Arizona Pub Svc Co	05/15/2050; 3.350%	287,609	233,169
	Ascension Health	11/15/2046; 3.940%	1,916,900	1,395,084
	At T Inc	09/15/2053; 3.500%	1,322,399	1,100,867
	Bank Of America Corp	12/20/2028; 3.420%	1,737,459	1,764,520
	Bank Of America Mtn	01/20/2048; 4.440%	724,577	625,349
	Barclays Plc	01/10/2047; 4.950%	895,890	800,713
	Barrick Na Finance	05/30/2041; 5.700%	58,101	71,324
	Barrick Na Finance	05/01/2043; 5.750%	267,474	254,268
	Bat Capital Corp	08/15/2037; 4.390%	809,849	819,832
	Bell Canada	04/01/2048; 4.460%	427,756	371,115
	Berkshire Hathaway	02/01/2045; 4.500%	404,145	372,943
	Berkshire Hathaway	01/15/2049; 4.450%	431,332	358,564
	Berkshire Hathaway	10/15/2050; 4.250%	1,616,697	1,151,467
	Berkshire Hathaway	05/15/2031; 1.650%	368,032	400,379
	Berkshire Hathaway	05/15/2043; 4.300%	1,262,482	1,111,275
	Berkshire Hathaway	03/15/2052; 3.850%	504,099	411,683
	Biogen Inc	05/15/2035; 5.750%	104,920	110,517
	Bk of America Corp	10/24/2051; 2.830%	1,143,892	967,480
	Boeing Co	08/01/2059; 3.950%	265,664	198,150
	Boeing Co Cr Sen Sr	05/01/2050; 5.800%	651,663	644,251
	Bristol Myers Squibb	11/15/2047; 4.350%	551,563	477,821
	Bristol Myers Squibb	03/15/2032; 2.950%	170,253	180,619
	Bristol Myers Squibb	03/15/2052; 3.700%	263,853	194,709
	Brown Forman Corp	04/15/2038; 4.000%	151,024	139,436
	Burlingtn North	06/15/2027; 3.250%	238,638	238,442
	Burlington North	09/01/2044; 4.550%	642,570	555,056
	Burlington North	02/15/2051; 3.050%	333,155	210,886
	Burlington Northn	06/15/2052; 2.880%	343,589	279,335
	Cabot Corp Sr Nt	06/30/2032; 5.000%	317,284	324,970
	Campbell Soup	04/24/2050; 3.120%	287,798	232,017
	Canadian National	05/01/2050; 2.450%	89,222	59,191
	Canadian Natl	06/01/2047; 4.950%	209,097	189,222
	Canadian Pac Ry Co	12/02/2051; 3.100%	445,196	328,388
	Caterpillar Inc	05/15/2064; 4.750%	427,818	352,052
	Caterpillar Inc Del	04/09/2050; 3.250%	39,840	28,514
	Centerpoint Energy	08/01/2042; 3.550%	252,388	223,328
	Chevron Corp	05/11/2050; 3.080%	45,000	30,512
	Chubb Corp	05/15/2038; 6.500%	172,150	141,328
	Chubb Ina Hldgs Inc	12/15/2051; 2.850%	176,535	152,830
	Cigna Corp New Glbl	07/15/2046; 4.800%	468,279	426,773
	Cisco Systems	02/15/2039; 5.900%	577,866	494,523
	Cisco Systems	01/15/2040; 5.500%	1,187,764	1,067,574
	Citigroup Inc	07/15/2039; 8.120%	408,853	346,162
	Citigroup Inc	07/23/2048; 4.650%	868,107	679,194
	Cleveland Clinic	01/01/2014; 4.860%	231,289	196,328

(Continued)

PEDERNALES ELECTRIC COOPERATIVE, INC.
EMPLOYEES DEFINED BENEFIT RETIREMENT PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2025

Name of Plan Sponsor: Pedernales Electric Cooperative, Inc.
Employee Identification Number: 74-0828412
Three-digit Plan Number: 001

(a) Party in Interest	(b) Identity of Issue	(c) Maturity Date/ Description of Investment	(d) Cost	(e) Current Value
	Coca Cola Co Nt	01/05/2032; 2.250%	$ 1,745,393	$ 1,811,898
	Coca Cola Co Sr Nt	06/01/2050; 2.600%	4,874,900	3,719,040
	Comcast Corp	03/01/2026; 3.150%	299,866	304,896
	Comcast Corp	03/01/2048; 4.000%	1,363,214	1,101,973
	Comcast Corp	02/01/2050; 3.450%	950,033	675,246
	Comcast Corp New	05/15/2033; 4.800%	416,623	423,616
	Con Edison Co Of Ny	12/01/2051; 3.200%	130,000	86,320
	Conocophillips	03/15/2062; 4.030%	47,680	33,420
	Conocophillips Co	11/15/2044; 4.300%	1,422,993	1,204,453
	Conocophillips Sr	09/15/2033; 5.050%	1,071,879	1,100,773
	Consolidated	12/01/2054; 4.620%	351,710	273,679
	Consolidated Edison	12/01/2054; 4.500%	559,043	494,736
	Consumers Energy Co	04/15/2049; 4.350%	643,008	549,305
	Cox Communications	09/15/2026; 3.350%	118,152	119,366
	Crown Castle Intl	07/01/2050; 4.150%	19,780	15,551
	Crown Castle Intl	04/01/2041; 2.900%	353,282	291,756
	Cvs Health Corp	07/20/2045; 5.120%	294,389	266,329
	Cvs Health Corp	03/25/2038; 4.780%	497,078	476,675
	Cvs Health Corp	03/25/2048; 5.050%	592,283	524,522
	Cvs Health Corp	06/01/2033; 5.300%	230,782	237,169
	Deere Co	04/15/2050; 3.750%	750,726	587,903
	Deere Co	01/16/2035; 5.450%	1,268,912	1,307,679
	Deere John Mtn	06/17/2031; 2.000%	816,546	745,922
	Delhaize Group	10/01/2040; 5.700%	70,182	64,202
	Dell Intl LLC Emc	10/01/2029; 5.300%	347,414	340,524
	Dell Intl LLC Emc	07/15/2046; 8.350%	87,123	84,991
	Dominion Resources	08/01/2041; 4.900%	535,040	474,619
	Dte Elec Co 1M	04/01/2053; 5.400%	134,751	131,008
	Duke Energy	03/15/2052; 3.550%	262,513	197,574
	Duke Energy Car	02/15/2040; 5.300%	668,848	565,790
	Duke Energy Corp	09/01/2046; 3.750%	167,981	144,085
	Duke Energy Corp	06/15/2051; 3.500%	607,301	464,009
	Duke Energy L P	12/15/2051; 3.000%	623,710	495,009
	Duke Energy Progress	04/01/2052; 4.000%	509,122	410,851
	Eaton Corp Ohio	08/23/2052; 4.700%	149,187	133,541
	Ebay Inc	06/05/2027; 3.600%	276,563	278,480
	Emerson Elec Co	12/21/2051; 2.800%	790,230	566,049
	Energy Transfer	10/01/2043; 5.950%	140,120	127,293
	Enlink Midstream	04/01/2045; 5.050%	48,190	43,854
	Entergy Arkansas LP	06/15/2052; 3.350%	319,462	230,506
	Entergy Corp	06/15/2050; 3.750%	183,417	141,607
	Enterprise Prods	02/15/2053; 3.300%	1,118,046	1,014,965
	Enterprise Products	02/15/2043; 4.450%	210,200	193,343
	Eog Res Inc Sr Glbl	04/15/2050; 4.950%	9,941	8,939
	Equinor Asa Sr Nt	04/06/2050; 3.700%	273,491	223,581
	Erac USA Fin Co	03/15/2042; 5.620%	350,245	303,855
	Erac USA Finance LLC	02/15/2045; 4.500%	398,300	361,502
	Essential Utils Inc	04/15/2050; 3.350%	55,000	37,810
	Exelon Corp Sr Glbl	04/15/2050; 4.700%	24,971	21,396
	Exelon Generation Co	06/15/2042; 5.600%	519,196	496,490

(Continued)

PEDERNALES ELECTRIC COOPERATIVE, INC.
EMPLOYEES DEFINED BENEFIT RETIREMENT PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2025

Name of Plan Sponsor: Pedernales Electric Cooperative, Inc.
Employee Identification Number: 74-0828412
Three-digit Plan Number: 001

(a) Party in Interest	(b) Identity of Issue	(c) Maturity Date/ Description of Investment	(d) Cost	(e) Current Value
	Expedia Inc	02/15/2026; 5.000%	$ 54,744	$ 55,004
	Expedia Inc	02/15/2028; 3.800%	196,408	203,868
	Exxon Mobil Corp	03/01/2026; 3.040%	200,773	204,731
	Exxon Mobil Corp	04/15/2051; 3.450%	702,703	534,247
	Fedex Corp	04/01/2046; 4.550%	209,580	173,866
	Florida Power Light	10/01/2044; 4.050%	305,143	258,218
	Fmc Corp	10/01/2049; 4.500%	45,977	29,236
	Fmc Corp	05/15/2053; 6.380%	209,608	156,862
	Ford Motor Co	10/01/2028; 6.620%	82,044	74,096
	Ford Motor Company	01/15/2043; 4.750%	282,362	221,740
	Ford Mtr Co Del Sr	08/19/2032; 6.100%	85,365	87,581
	General Dynamics	04/01/2050; 4.250%	29,559	25,304
	General Motors Co	10/02/2043; 6.250%	392,082	365,051
	General Mtrs Finl	01/09/2033; 6.400%	173,610	178,139
	Georgia Pacific Corp	11/15/2029; 7.750%	345,477	276,355
	Gilead Sciences Inc	04/01/2044; 4.800%	289,442	239,821
	Gilead Sciences Inc	09/01/2035; 4.600%	202,253	202,602
	Glencore Fdg LLC	09/23/2051; 3.380%	381,675	292,742
	Global Atlantic	03/15/2054; 6.750%	144,023	148,126
	Goldman Sachs Group	02/01/2041; 6.250%	494,652	432,493
	Goldman Sachs Group	10/21/2045; 4.750%	444,736	407,763
	Goldman Sachs Group	02/24/2033; 3.100%	171,302	184,246
	Hasbro Inc	09/15/2027; 3.500%	166,792	168,436
	Hca Inc	06/15/2049; 5.250%	211,848	198,829
	Hca Inc	11/15/2035; 4.900%	64,769	64,111
	Hewlett Packard	10/15/2054; 5.600%	240,311	226,993
	Holcim Finance	09/12/2043; 6.500%	515,117	448,980
	Home Depot Inc	12/16/2036; 5.880%	515,916	433,764
	Home Depot Inc	04/01/2043; 4.200%	529,482	468,261
	Home Depot Inc	03/15/2031; 1.380%	268,475	243,065
	Home Depot Inc	09/15/2032; 4.500%	203,174	207,478
	Hsbc Hldgs Plc	03/09/2044; 6.330%	498,274	525,744
	Hsbc Holdings Mtn	01/14/2042; 6.100%	713,202	580,122
	Humana Inc	04/15/2054; 5.750%	269,862	253,994
	IBM Corp	11/30/2039; 5.600%	340,031	289,274
	IBM Corp	02/19/2046; 4.700%	767,986	617,862
	IBM Corp	05/15/2029; 3.500%	261,285	245,205
	IBM Corp	05/15/2049; 4.250%	2,335,193	1,889,573
	Indiana Michigan	03/15/2046; 4.550%	157,124	138,384
	Ingersoll Rand	11/01/2044; 4.650%	258,303	230,701
	Ingersoll Rand Inc	06/15/2054; 5.700%	114,530	115,289
	Intel Corp	12/08/2047; 3.730%	701,377	498,113
	Intel Corp	08/12/2031; 2.000%	293,601	293,782
	International	05/15/2030; 1.950%	900,135	820,323
	Interstate Power	07/15/2039; 6.250%	133,846	106,794
	Jbs USA Lux S A Jbs	12/04/2052; 6.500%	399,772	412,372
	Jefferies Group Inc	01/15/2036; 6.250%	155,326	158,933
	Jefferies Group Inc	10/15/2031; 2.620%	243,301	274,775
	Johnson	12/05/2033; 4.380%	225,038	228,177
	Johnson	03/01/2046; 3.700%	907,741	761,729

(Continued)

PEDERNALES ELECTRIC COOPERATIVE, INC.
EMPLOYEES DEFINED BENEFIT RETIREMENT PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2025

Name of Plan Sponsor: Pedernales Electric Cooperative, Inc.
Employee Identification Number: 74-0828412
Three-digit Plan Number: 001

(a) Party in Interest	(b) Identity of Issue	(c) Maturity Date/ Description of Investment	(d) Cost	(e) Current Value
	Johnson	01/15/2028; 2.900%	$ 235,406	$ 241,732
	Johnson Controls	07/02/2064; 4.950%	122,425	107,801
	Johnson Johnson Sr	09/01/2050; 2.250%	218,049	129,705
	Jpmorgan Chase Co	07/15/2041; 5.600%	1,148,932	995,473
	Jpmorgan Chase Co	02/01/2044; 4.850%	1,168,404	1,107,311
	Jpmorgan Chase Co	10/01/2027; 4.250%	339,360	342,472
	Jpmorgan Chase Co Sr	04/22/2052; 3.330%	1,649,719	1,644,764
	Kellogg Co	04/01/2046; 4.500%	313,132	286,315
	Kentucky Utils	10/01/2045; 4.380%	150,633	126,888
	Kentucky Utils Co	06/01/2050; 3.300%	511,842	392,388
	Kenvue Inc	03/22/2053; 5.050%	417,138	382,738
	Keurig Dr Pepper	05/01/2050; 3.800%	14,917	10,893
	Kimberly Clark	03/01/2041; 5.300%	464,103	463,289
	Kinder Morgan Inc	06/01/2045; 5.550%	243,243	227,203
	Kroger Co	02/01/2047; 4.450%	243,097	214,537
	Lam Research Corp Sr	06/15/2050; 2.880%	275,983	220,544
	Lear Corp	09/15/2027; 3.800%	51,714	52,698
	Lear Corp	01/15/2052; 3.550%	531,156	416,970
	Lincoln Natl Crp	06/15/2040; 7.000%	231,699	196,662
	Lloyds Banking Group	01/09/2048; 4.340%	358,623	300,300
	Lockheed Martin	06/15/2050; 2.800%	260,606	164,575
	Lockheed Martin Corp	03/01/2045; 3.800%	55,664	48,118
	Lockheed Martin Corp	05/15/2036; 4.500%	153,946	151,929
	Lockheed Martin Corp	09/15/2052; 4.090%	347,617	290,862
	Louisville Gas Elec	10/01/2045; 4.380%	176,235	152,077
	Lowes Cos	04/15/2033; 5.000%	170,348	174,085
	Lowes Cos Inc	04/15/2046; 3.700%	359,053	276,057
	Lowes Cos Inc	10/15/2050; 3.000%	499,265	377,141
	Lyb Int Finance III	10/15/2049; 4.200%	227,453	182,919
	Lyb Intl Finance Bv	03/15/2044; 4.880%	289,699	236,510
	Lyb L P	04/01/2051; 3.620%	208,466	122,442
	Lyb LLC	05/15/2033; 5.620%	169,561	167,386
	Mars Inc	03/01/2035; 5.200%	134,764	138,757
	Marsh McLennan Cos	01/30/2047; 4.350%	54,651	46,617
	Massachusetts Mut	04/15/2050; 3.380%	29,876	20,279
	Mastercard Inc	03/26/2050; 3.850%	29,873	23,485
	Mattel Inc	11/01/2041; 5.450%	162,325	141,042
	Medtronic Inc	03/15/2035; 4.380%	653,552	657,123
	Medtronic Inc	03/15/2045; 4.620%	1,080,739	936,260
	Merck Co Inc	02/10/2045; 3.700%	258,177	210,625
	Merck Co Inc	03/07/2039; 3.900%	279,490	281,931
	Merck Co Inc	06/24/2050; 2.450%	692,619	514,545
	Meta	08/15/2034; 4.750%	659,366	653,314
	Metlife Inc	08/13/2042; 4.120%	1,076,342	954,934
	Metlife Inc	03/01/2045; 4.050%	1,111,611	926,330
	Microsoft Corp	02/12/2035; 3.500%	951,853	876,469
	Microsoft Corp	06/01/2050; 2.530%	1,323,495	955,511
	Microsoft Corp	06/01/2060; 2.670%	985,917	465,303
	Microsoft Corp	09/15/2050; 2.500%	405,663	266,517
	Molson Coors Brewing	07/15/2046; 4.200%	561,620	493,747

(Continued)

PEDERNALES ELECTRIC COOPERATIVE, INC.
EMPLOYEES DEFINED BENEFIT RETIREMENT PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2025

Name of Plan Sponsor: Pedernales Electric Cooperative, Inc.
Employee Identification Number: 74-0828412
Three-digit Plan Number: 001

(a) Party in Interest	(b) Identity of Issue	(c) Maturity Date/ Description of Investment	(d) Cost	(e) Current Value
	Moodys Corporation	07/15/2044; 5.250%	$ 272,331	$ 256,626
	Morgan Stanley	01/25/2052; 2.800%	1,505,016	1,478,909
	Morgan Stanley	01/27/2045; 4.300%	295,459	268,286
	Morgan Stanley	07/24/2042; 6.380%	491,278	417,349
	Morgan Stanley Mtn	01/22/2031; 2.700%	747,205	755,090
	Mplx LP	03/01/2047; 5.200%	54,617	49,149
	Mplx LP	04/15/2048; 4.700%	652,064	577,628
	Mylan Nv	06/15/2046; 5.250%	378,450	332,643
	Nationwide Financial	11/18/2044; 5.300%	298,766	261,282
	Netflix Inc	08/15/2054; 5.400%	79,832	77,525
	New York Life	05/15/2050; 3.750%	266,113	226,063
	Newmont Goldcorp	06/09/2044; 5.450%	682,598	672,887
	Nike Inc Sr Nt	03/27/2050; 3.380%	650,947	471,293
	Nisource Finance	02/15/2044; 4.800%	276,570	247,420
	Northrop Grumman	06/01/2054; 5.200%	378,533	355,232
	Novartis Capital	08/14/2050; 2.750%	730,297	527,942
	Nutrien Ltd	01/15/2045; 5.250%	522,250	474,726
	Nvidia Corp Sr Nt	04/01/2050; 3.500%	548,653	418,128
	Old Republic Intl	08/26/2026; 3.880%	33,978	34,958
	Omnicom Group Inc	04/15/2026; 3.600%	238,335	249,633
	Oncor Elec Delivery	05/15/2050; 3.700%	438,073	352,253
	Oneok Inc	01/15/2051; 7.150%	54,798	60,389
	Oracle Corp	07/15/2040; 5.380%	290,891	219,351
	Oracle Corp	07/08/2034; 4.300%	324,333	293,888
	Oracle Corp	05/15/2045; 4.120%	403,528	327,386
	Pacificorp	03/15/2051; 3.300%	69,423	44,664
	Peco Energy Co	09/15/2054; 5.250%	471,628	458,461
	Penn Mut Life Ins Co	06/15/2040; 7.620%	294,726	232,222
	Pepsico Inc	02/25/2031; 1.400%	800,248	784,503
	Pepsico Inc	07/18/2032; 3.900%	224,068	230,951
	Pepsico Inc	07/15/2052; 4.200%	19,976	16,424
	Pepsico Inc	02/07/2035; 5.000%	555,829	561,415
	Pernod Ricard Sa	06/08/2026; 3.250%	329,183	334,752
	Pfizer Inc	06/15/2043; 4.300%	340,829	270,642
	Pfizer Inc	12/15/2036; 4.000%	604,581	614,338
	Pfizer Inc	05/28/2050; 2.700%	2,347,293	1,954,077
	Pfizer Inc	08/18/2031; 1.750%	504,850	552,225
	Philip Morris Intl	11/15/2041; 4.380%	275,798	276,024
	Philip Morris Intl	03/20/2042; 4.500%	1,490,279	1,233,499
	Philip Morris Intl	11/10/2044; 4.250%	749,486	710,218
	Philip Morris Intl	02/25/2026; 2.750%	157,679	159,707
	Philip Morris Intl	02/15/2033; 5.380%	375,413	386,905
	Ppg Industries	11/15/2040; 5.500%	305,394	272,268
	Ppg Industries	06/15/2030; 2.550%	325,953	297,830
	Pres Fellows Of	07/15/2046; 3.150%	499,205	387,677
	Procter Gamble Co	03/25/2040; 3.550%	273,710	273,987
	Procter Gamble Co	03/25/2050; 3.600%	1,648,303	1,173,603
	Proctor Gamble Co	10/29/2030; 1.200%	3,345,448	3,486,067
	Progressive Corp	04/15/2047; 4.120%	846,791	698,333
	Prudential Mtn	03/10/2030; 2.100%	1,872,341	1,952,809

(Continued)

PEDERNALES ELECTRIC COOPERATIVE, INC.
EMPLOYEES DEFINED BENEFIT RETIREMENT PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2025

Name of Plan Sponsor: Pedernales Electric Cooperative, Inc.
Employee Identification Number: 74-0828412
Three-digit Plan Number: 001

(a) Party in Interest	(b) Identity of Issue	(c) Maturity Date/ Description of Investment	(d) Cost	(e) Current Value
	Public Service	06/01/2052; 4.500%	$ 260,933	$ 224,921
	Public Svc Elec Mtn	05/01/2050; 2.700%	496,121	331,935
	Qualcomm Inc	05/20/2052; 4.500%	417,502	364,257
	Reynolds American	08/15/2035; 5.700%	225,326	229,471
	Roche Holding Inc	05/15/2026; 2.620%	386,938	398,176
	Roche Holdings Inc	03/10/2027; 2.310%	217,569	226,329
	Royal Bk Scotlnd	04/05/2026; 4.800%	403,716	400,992
	Rtx Corp	07/01/2050; 3.120%	147,472	127,872
	Rtx Corp	12/15/2044; 4.200%	341,663	256,510
	Rtx Corporation	10/15/2040; 4.880%	352,003	299,314
	Rtx Corporation	09/01/2031; 1.900%	907,298	842,717
	Rtx Corporation	03/15/2032; 2.380%	259,781	280,678
	San Diego Gas Elec	08/15/2051; 2.950%	706,156	492,024
	Shell Fin US	04/06/2050; 3.250%	829,962	627,409
	Shell Fin US	10/15/2041; 5.120%	494,915	448,357
	Siemens	09/15/2046; 3.300%	326,479	217,692
	Siemens	03/16/2047; 4.200%	503,355	423,665
	Snap On Inc	05/01/2050; 3.100%	98,862	67,829
	Southern Cal Ed	02/01/2036; 5.620%	515,686	444,880
	Southern Cal Edison	03/01/2048; 4.120%	430,266	409,855
	Southern California	04/01/2054; 5.600%	89,415	88,087
	Southern Co	07/01/2046; 4.400%	153,840	130,761
	Southwest Gas Corp	08/15/2051; 3.180%	367,879	286,663
	Southwestern Elec	11/01/2051; 3.250%	400,019	309,105
	Southwestern Public	05/01/2050; 3.150%	463,436	329,860
	ST Paul Travelers	06/20/2036; 6.750%	341,016	281,441
	Starbucks Corp	11/15/2050; 3.500%	670,908	508,827
	Steel Dynamics Inc	10/15/2050; 3.250%	28,900	20,557
	Sumitomo Mitsui Finl	03/09/2026; 3.780%	292,787	294,897
	Suncor Energy Inc	03/04/2051; 3.750%	381,487	302,451
	Sunoco Logistics	10/01/2047; 5.400%	505,429	471,786
	Synopsys Inc	04/01/2035; 5.150%	84,813	86,390
	T Mobile USA Inc	06/15/2055; 5.250%	458,993	419,046
	T Mobile USA Inc Sr	11/15/2035; 4.950%	254,141	253,521
	Tampa Elec Co	03/15/2051; 3.450%	272,449	226,403
	Target Corporation	09/15/2030; 2.650%	598,496	567,381
	Teva Pharmaceuticals	10/01/2026; 3.150%	25,931	25,700
	Teva Pharmaceuticals	10/01/2046; 4.100%	329,235	272,236
	The Home Depot Inc	04/15/2050; 3.350%	19,772	14,108
	Toyota Mtr Mtn	01/09/2035; 5.350%	930,967	932,649
	Toyota Mtr Mtn	01/10/2031; 1.650%	942,151	923,487
	Transcontinental	03/15/2036; 5.100%	85,945	86,585
	Travelers Cos Inc	04/27/2050; 2.550%	545,363	408,044
	Tucson Electric	06/15/2050; 4.000%	147,757	122,173
	Tyson Foods Inc	06/02/2047; 4.550%	570,717	442,081
	Union Electric Co	04/15/2045; 3.650%	194,752	162,779
	Union Pac Corp	04/06/2071; 3.800%	148,399	106,256
	Union Pac Corp	05/20/2031; 2.380%	435,744	403,506
	Union Pacific Corp	03/01/2046; 4.050%	224,754	191,440
	Union Pacific Corp	09/15/2037; 3.600%	33,699	31,127

(Continued)

PEDERNALES ELECTRIC COOPERATIVE, INC.
EMPLOYEES DEFINED BENEFIT RETIREMENT PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2025

Name of Plan Sponsor: Pedernales Electric Cooperative, Inc.
Employee Identification Number: 74-0828412
Three-digit Plan Number: 001

(a) Party in Interest	(b) Identity of Issue	(c) Maturity Date/ Description of Investment	(d) Cost	(e) Current Value
	United Parcel Svcs	03/03/2053; 5.050%	$ 353,147	$ 325,475
	Unitedhealth	03/15/2026; 3.100%	164,288	164,731
	Unitedhealth Group	07/15/2045; 4.750%	630,901	548,793
	Unitedhealth Group	12/15/2048; 4.450%	164,323	138,666
	Unitedhealth Group	05/15/2050; 2.900%	1,713,232	1,296,175
	Unitedhealth Group	06/15/2035; 5.300%	664,909	662,637
	Verizon Comm	08/21/2046; 4.860%	442,012	359,737
	Verizon Inc	03/22/2051; 3.550%	557,636	408,158
	Viacomcbs Inc	05/19/2050; 4.950%	606,121	399,160
	Viatris Inc	06/22/2050; 4.000%	39,896	26,638
	Virginia Elec Pwr Co	11/15/2051; 2.950%	794,187	562,946
	Visa Inc	12/14/2035; 4.150%	9,986	9,729
	Visa Inc	12/14/2045; 4.300%	318,531	279,338
	Visa Inc Sr Nt	08/15/2050; 2.000%	433,015	295,472
	Vulcan Matls Co	12/01/2054; 5.700%	139,219	139,392
	Walmart Inc	09/24/2029; 2.380%	79,670	71,112
	Walmart Inc	09/22/2031; 1.800%	1,872,269	1,933,687
	Walmart Inc	09/22/2051; 2.650%	644,537	633,582
	Walt Disney Mtn	06/01/2044; 4.120%	349,341	285,838
	Westlake	11/15/2035; 5.550%	24,929	24,994
	Westlake Chem Corp	08/15/2051; 3.120%	500,663	347,012
	Weyerhaeuser Co	03/15/2032; 7.380%	112,693	101,357
	Weyerhaeuser Co	03/09/2052; 4.000%	199,966	169,715
	Whirlpool Corp	06/01/2046; 4.500%	210,706	161,437
	Whirlpool Corp	05/15/2050; 4.600%	194,463	161,733
	Wisconsin Pwr Lt	04/01/2050; 3.650%	364,759	301,302
	Wyeth	04/01/2037; 5.950%	347,800	295,861
	Xcel Energy Inc	12/01/2049; 3.500%	74,680	53,734
	Xstrata Canada Fin	11/15/2041; 6.000%	173,904	170,128
	Total Corporate Bonds and Fixed Income Securities		170,031,912	147,749,022
	U.S. Government Bonds, Securities, and Municipal Bonds:			
	Tenn Valley Auth	09/15/2065; 4.250%	165,434	140,133
	US Treasury Bond	05/15/2052; 2.880%	3,010,013	2,491,044
	US Treasury Bond	08/15/2053; 4.120%	2,912,769	2,686,673
	US Treasury Note	02/15/2054; 4.250%	2,502,542	2,228,508
	US Treasury Note	08/15/2054; 4.250%	1,102,324	1,021,678
	US Treasury Note	11/15/2054; 4.500%	109,946	108,468
	US Treasury Note	02/15/2055; 4.620%	1,319,034	1,300,374
	US Treasury Note	05/15/2055; 4.750%	1,505,088	1,502,585
	US Treasury Note	08/15/2055; 4.750%	159,397	155,433
	US Treasury Note	08/15/2045; 4.750%	325,813	319,062
	US Treasury Note	11/15/2031; 1.380%	753,142	662,005
	US Treasury Note	08/15/2032; 2.750%	4,655,829	4,693,375
	US Treasury Note	02/15/2033; 3.500%	196,089	189,509
	US Treasury Note	08/15/2033; 3.880%	15,136,257	15,296,664
	US Treasury Bond	11/15/2034; 4.250%	1,920,211	1,990,705
	Univ of CA	05/15/2015; 4.770%	362,513	304,815
	Total U.S. Government Bonds, Securities and Municipal Bonds		36,136,401	35,091,031

(Continued)

PEDERNALES ELECTRIC COOPERATIVE, INC.
EMPLOYEES DEFINED BENEFIT RETIREMENT PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2025

Name of Plan Sponsor: Pedernales Electric Cooperative, Inc.
Employee Identification Number: 74-0828412
Three-digit Plan Number: 001

(a) Party in Interest	(b) Identity of Issue	(c) Maturity Date/ Description of Investment	(d) Cost	(e) Current Value
Limited Partnership Interests:				
	Entrust Cap Div Cl 2 Sr	3,903 shares	$ 390,328	$ 260,910
	Entrust Capital Diversified Fund QP Ltd	0 shares	-	-
	Total Limited Partnership Interests		390,328	260,910
	Total investments held for investment		$ 255,901,448	$ 242,798,814

See independent auditor's report.

PEDERNALES ELECTRIC COOPERATIVE, INC.
EMPLOYEES DEFINED BENEFIT RETIREMENT PLAN
SCHEDULE H, LINE 4j – SCHEDULE OF REPORTABLE TRANSACTIONS
For the year ended December 31, 2025

Name of Plan Sponsor: Pedernales Electric Cooperative, Inc.
Employee Identification Number: 74-0828412
Three-digit Plan Number: 001

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Cost of Assets	(f) Value of Asset on Transaction Date	(g) Net Gain or Loss
Category (i) – Single Transactions by Issue in Excess of 5% Plan Assets						
No Transactions Qualified						
Category (ii) – Series of Transactions with Broker in Excess of 5% Plan Assets						
No Transactions Qualified						
Category (iii) – Series of Transactions by Issue in Excess of 5% Plan Assets						
First American Government Obligations Fund Class Z	Cash equivalent	$ 44,440,949	$ -	$ 44,440,949	$ 44,440,949	$ -
First American Government Obligations Fund Class Z	Cash equivalent	$ -	$ 44,892,133	$ 44,892,133	$ 44,892,133	$ -
Category (iv) – Single Transaction with Broker in Excess of 5% of Plan Assets						
No Transactions Qualified						

See independent auditor's report.