AGENDA AND MEETING NOTICE
OF THE FINANCE COMMITTEE
NORTH TAHOE PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS

Monday, January 12, 2026, at 2:30 P.M.

North Tahoe Public Utility District
Administrative Offices
875 National Avenue
Tahoe Vista, CA 96148

Welcome to a meeting of the North Tahoe Public Utility District
FINANCE COMMITTEE

A meeting of the North Tahoe Public Utility District Finance Committee will be held on Monday, January 12, 2026, 2:30 p.m. at the North Tahoe Public Utility District Administrative Offices, 875 National Ave. Tahoe Vista, CA 96148.

The District welcomes you to its meetings. Your opinions and suggestions are encouraged. The meeting is accessible to people with disabilities. In compliance with Section 202 of the Americans with Disabilities Act of 1990 and in compliance with the Ralph M. Brown Act, anyone requiring reasonable accommodation to participate in the meeting should contact the North Tahoe Public Utility District office at (530) 546-4212, at least two days prior to the meeting.

All written public comments received by 1:30 p.m. on January 12, 2026 will be distributed to the District Board Committee Members for their consideration at the meeting. Written comments may be emailed to mmoga@ntpud.org, mailed or dropped-off at NTPUD's Administrative Offices located at 875 National Ave., Tahoe Vista, CA. 96148.

1. **CALL TO ORDER**
2. **PUBLIC COMMENT** - *Any person wishing to address the Finance Committee on Items on the agenda or matters of interest to the District not listed elsewhere on the agenda may do so at this time. Please limit comments and questions to three (3) minutes since no action can be taken on items presented under Public Comment.*
3. **TOPICS OF DISCUSSION**
   a. Review Accounts Paid & Payable – Recommendation to Full Board (*Page 9)*
   b. Review Financial Statements – Recommendation to Full Board (*Pages 10-52)*
   c. Review North Tahoe Event Center Event Projections (*Page 25)*
   d. Discuss Cash Flow and Grant Revenue (*Pages 47-50)*
   e. Discuss the Net Unrestricted and Related Reserve Analysis
   f. Review FY 24/25 Audited Financial Statements compared to Preliminary Financials presented to Board
   g. Review and Discuss Accepting the Annual Independent Audit Report of the Financial Statements for FY 24/25 – Recommendation to Full Board (*Pages 53-129)*
   h. Review, Discuss, and Possibly Provide Direction on the District's CalPERS Unfunded Pension Liability Obligation and California Employers' Pension Prefunding Trust (Section 115 Trust) – Recommendation to Full Board (*Pages 130-166)*
   i. Adopt Resolution 2026-01 – Establishing an Investment Policy for 2026 – Recommendation to Full Board (*Pages 167-169)*
   j. Discuss Customer Service and Related Statistics
   k. Review Long Range Calendar
4. **ADJOURNMENT**

Agenda Posted on January 9, 2026 by Board Secretary, Misty Moga

NORTH TAHOE
PUBLIC UTILITY DISTRICT

DATE: January 12, 2026

FROM: Chief Financial Officer

SUBJECT: Finance Committee Memo

SELECTED TOPICS OF DISCUSSION:

A. Review Draft Financial Statements as of November 30, 2025 – Recommendation to Full Board

Please refer to the memo titled *Draft Financial Reports through November 30, 2025* to the Board of Directors.

B. Review Accounts Paid and Payable – Recommendation to Full Board

There were two questions raised by the Finance Committee during the Period between December 9, 2025 and January 12, 2026.

<u>Question 1:</u> I note that we are approximately 1/2 way through the year and we have used all Springbrook Purchase Order allotments. Do we pay them annually or will we owe more before the fiscal year is through?

Springbrook software: We pay Springbrook Holding Company once a year for the Financial System Software, so the annual license is covered when the outstanding invoice is paid.

<u>Question 2:</u> Guy's excavation and snow removal, they are happy to not have snow yet… saves them overhead and payroll! I can't remember their total contract payments. Do we pay all at once or monthly?

Guy's Excavation and Snow Removal: Their contract is set up with fixed monthly payments from November through March, regardless of snowfall. The total purchase order amount for this fiscal year approved by board is $143,267.

C. Review of North Tahoe Event Activity

The Event Center continues its strong start with total Operating Revenue of $362,820 and came in $89,559 better than budget for the five-month period ended November 30, 2025. Moreover, the pipeline for future business already booked is significantly higher than the comparable period last year. For instance, there are approximately $405,000 of future wedding events committed compared to only $240,000 at same time last year. However, the Event Center operations are presently undergoing a significant disruption during the bathroom remodel project.

D. Discuss Cash Flow and Grant Revenue

Cash Flow: Cash flow continues to trend lower compared to the end of FY 2025 due primarily to the three million-dollar plus construction projects related to the Trail Extension effort, the Trout Street Watermain and Fire Suppression effort, and the Smart Meter Replacement effort. In particular, cash and investment balances will continue to drop, on an overall basis, until the end of January 2026 when we are scheduled to receive our first property tax installment of more than $4.5 million. The District remains mindful of the impact of the government shutdown to federal grant reimbursements and is tracking the activity closely including different scenarios related to delayed funding from federal and state grants. However, each agency has indicated the payments are moving forward and are expected soon.

As reference of the relative change in cash and investments positions, as a single point-in-time, the amount of cash and investment reported in the Treasurer's report as of end of November 30, 2025, was approximately $9.0 million compared to approximately $10.2 million and approximately $8.6 million, respectively, for the past two years.

Grant Revenue: Grant revenue associated with the three projects referenced previously has been generated, and reimbursement has been requested from the respective funding agencies. The Trail Extension project has been completed and closed while the other two projects remain underway.

The District's current grant portfolio consists of approximately 16 individual grants with an aggregate award value of $5.2 million at the beginning of fiscal year ending (FYE) 2026. For additional details on each individual award, please refer to page 33 of the November 2025 financial statements.

As discussed in prior Finance Committee reports, the District applied several straightforward and transparent assumptions during the FYE 2026 budgeting process. These assumptions focused on anticipated annual revenue from contracted grant awards rather than monthly estimates. During November, the District continued to outperform budget expectations, earning grant revenue of $2,956,086 compared to a budgeted amount of $2,399,750. However, this favorable variance reflects a point-in-time comparison and does not account for the timing impact of nearly $500,000 in FYE 2026 grant revenue that was recognized earlier than expected at the end of FYE 2025, as previously reported.

Absent any new, unbudgeted grant awards, total grant revenue for FYE 2026 is projected to fall short of the adopted budget by nearly $500,000. As discussed previously, the majority of this unfavorable variance actually created a favorable variance in late FYE 2025. For additional information regarding grant budgeting activity, please refer to page 32 of the November 2025 financial statements.

E. Reserve Analysis (and Net Unrestricted Assets)

As mentioned at the previous Board meeting, the finance team continues to explore incremental approaches to better assist the Board in understanding the important layers of the District's overall unrestricted net asset position, which includes the various specific reserves the District maintains. To this end, we are previewing the **SECOND** step in our revised approach to reserve analysis to capture the preliminary information related to FYE 2026. Under the **SECOND** step, we will feature a new column each month.

The table below outlines how each fund's unrestricted balance evolves over the fiscal year—starting with total unrestricted net assets, setting aside operating reserves, incorporating projected operational results, and accounting for planned capital investments and debt payments. This view is intended to show how much of the District's unrestricted position is committed or reserved versus how much remains flexible for future needs or priorities.

Fund	Gross Net Assets (NA)-Unrestricted 6-30-25	90 day Op X Contingency Reserve	Net, NA-Unrestricted 7-1-25	FYE 26 EBIDA	FYE 26 Available	FYE 26 CAP X	Debt	Net, Balance of NA-Unrestriced 6-30-26
Reference	A	B	C = A+B	D	E = C+D	F	G	H = E+F+G
Sewer	$ 2,374,201	$ (735,657)	$ 1,638,544	$ 427,698	$ 2,066,242	$ (2,040,207)	$ -	$ 26,035
Water	1,248,082	(776,041)	472,041	4,175,197	4,647,238	(4,033,125)	(446,000)	168,113
Recs & Park	1,234,275	(673,300)	560,975	2,864,278	3,425,253	(3,588,125)	-	(162,872)
Fleet	305,090	(149,457)	155,633	351,239	506,872	(401,000)	-	105,872
G&A	8,798,250	(1,408,700)	7,389,550	1,982,449	9,371,999	(665,631)	-	8,706,368
	$ 13,959,898	$ (3,743,155)	$ 10,216,743	$ 9,800,861	$ 20,017,604	$ (10,728,088)	$ (446,000)	$ 8,843,516

(A) Gross Net Assets (Unrestricted) – 6/30/25:
The total amount of unrestricted funds available at fiscal year-end. This serves as the starting balance for each fund. These numbers should agree to the audited financial statements each year to help re-establish the most basic foundation to the net assets.

F. Comparing Audited Financial Statements to the Preliminary June 30, 2025 statements provided to the Board in August 2025.

As shown in the schedule below, a variety of accounting entries were made after the June 30, 2025 financial statements were initially presented to the Board to comply with specific accounting requirements. These accounting entries resulted in a net reduction of $208,612 to the District's previously reported net income. As a reminder, the audited net income of $4,992,443 was significantly higher than the budget of only $1,815,576.

The most significant accounting entries relate to the pension expense required under GASB Statement No. 68, which is based on an actuarial valuation that is prepared by a third party annually. In addition, GASB Statement No. 34 requires that the revenues and expense activities with the Fleet Fund be recorded on a gross basis which increases both revenue and expenses as required under the accounting guidance.

	6/30/25 Preliminary Period 12 (A)	6/30/25 Final Audited (B)	Adjustments (A-B)	District Imposed Adjustments
Operating Revenue	$ 11,715,073	$ 11,730,566	$ 15,493	Water Consumption Accruals
Internal Revenue	189,618	749,762	560,144	Fleet Allocation under GASB 34
Total Operating Revenue	11,904,691	12,480,328	575,637	
			-	
Salaries and Wages	(5,951,849)	(5,951,849)	-	
Employee Benefits	(2,852,604)	(2,816,411)	36,193	Health Insurance Adjustment
Outside Services/Contractual	(1,287,347)	(1,344,749)	(57,402)	Primarily GASB 96--Computer Software
Utilities	(870,677)	(870,677)	-	
Other Operating Expenses	(1,514,781)	(1,515,759)	(978)	
Insurance	(453,559)	(453,559)	-	
Internal Expense	(189,618)	(749,762)	(560,144)	Fleet Allocation under GASB 34
Debt Service	(42,630)	(32,766)	9,864	Primarily GASB 96-Software Subscriptions
Depreciation	(3,912,984)	(3,882,181)	30,803	Primarily GASB 96-Software Subscriptions
Total Operating Expense	(17,076,049)	(17,617,713)	(541,664)	
			-	
Operating Income(Loss)	(5,171,358)	(5,137,385)	33,973	
			-	
Non-Operations			-	
Property Tax Revenue	7,678,781	7,629,480	(49,301)	Year End True Up
Community Facilities District (CFD 94-1)	731,273	723,567	(7,706)	Year End True Up
Grant Revenue	1,742,414	1,703,705	(38,709)	Parks & Rec Trail Grant True Up
Interest	383,676	452,755	69,079	Year End True Up
Other Non-Op Revenue	197,560	197,896	336	
Capital Contribution	-		-	
Other Non-Op Expenses	(361,291)	(577,575)	(216,284)	Primarily GASB 68-Pension
Total Non-Operating Activity	10,372,413	10,129,828	(242,585)	
			-	
Income(Loss)	**$ 5,201,055**	**$ 4,992,443**	**$ (208,612)**	

G. Review the Five Reports Issued by the Auditors as well as Their Presentation

The District's auditor, MUN CPAs, has completed the audit of the District's Fiscal Year 2025 financial report and issued an unmodified (clean) opinion. As part of the audit, the auditors reviewed the District's financial records, tested internal controls, and confirmed compliance with the appropriations limit. The auditors also issued a management report that includes two recommendations for improvement, which were discussed during the prior Finance Committee and Board meetings. These items, along with the overall audit results, will be presented by MUN CPAs' Engagement Partner, Erica Pastor, and the related materials are included with this item.

- Independent Auditor's Report for Fiscal Year 2025 – The formal audit opinion and required financial statement disclosures.
- Governance Letter – Required communication from the auditors to the Board regarding audit scope, findings, and responsibilities.
- Management Report – Auditor observations and recommendations for operational or internal control improvements.

- Appropriations Limit Schedule for Fiscal Year 2025 – Documentation supporting the District's compliance with state appropriations limit requirements.
- MUN Engagement Partner Presentation – Summary presentation of the audit results to be delivered to the Board.

H. Review, Discuss, and Possibly Provide Direction on the District's CalPERS Unfunded Pension Liability Obligation and California Employers' Pension Prefunding Trust (Section 115 Trust) – Recommendation to Full Board

During the December Finance Committee meeting, the Finance Committee recommended presenting its recommendation to the Board that the District take no further action to fund our CalPERS balance based on the most recent information from the CalPERS actuary along with recent market conditions. The rationale and recommendation, which are further described in separate memo to the Board, is summarized below:

> *Given the surplus projected by the CalPERS actuary report for the entire plan, the District's policy including a target, and the projected results by the actuary; the Finance Committee and District staff do not recommend any additional funding for the Unfunded Pension Liability this fiscal year.*
>
> *Given that the surplus projected by the actuary for the entire CalPERS plan as well as comparing the targeted returns of the restricted use Section 115 Trust relative to those of the District's more flexible investment vehicles, the Finance Committee and District staff do not recommend additional funding of the Section 115 Trust account this fiscal year.*

I. Adopt Resolution 2026-01 – Establishing an Investment Policy for 2026 – Recommendation to Full Board

State law requires the North Tahoe Public Utility District to review and adopt a written investment policy annually. The investment policy provides guidance to the Treasurer for the investment of District funds. Historically, the District has invested its funds in a combination of FDIC-insured certificates of deposit, asset-backed securities, mutual funds, government securities, and pooled investment programs such as the California Local Agency Investment Fund (LAIF) and the California Cooperative Liquid Assets Securities System (CLASS).

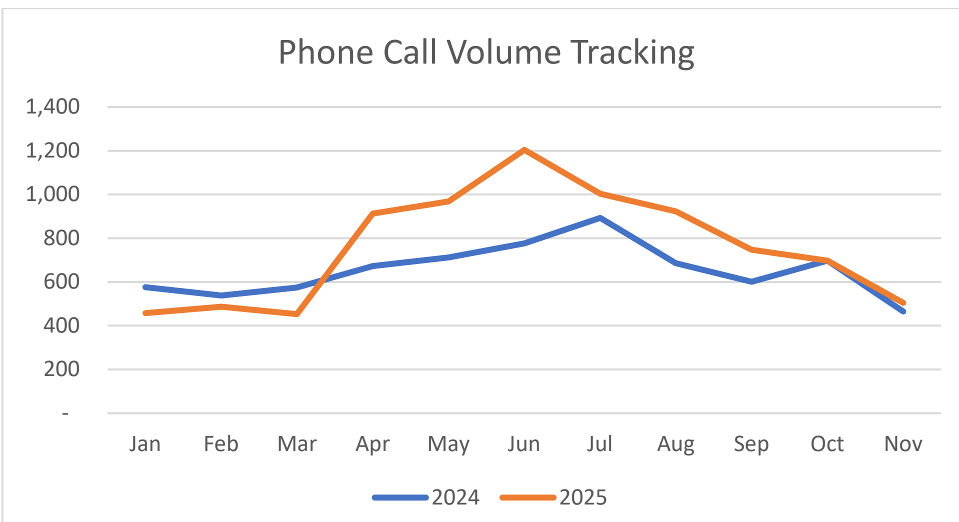
Based on historical cash and investment performance, District staff recommends that the Finance Committee recommend the 2026 Investment Policy, which is unchanged from the prior year policy, to the Board for formal adoption.

J. Customer Services Activity

Beginning in May 2025, the Customer Service Department started publishing general categories of different customer accounts so the relatively stable information could be circulated. Because the District doesn't anticipate many changes, when there is a difference, it is flagged so it can be included in monthly analysis. Please refer to the table below for month-to-month activity. In the case below, there was a change to a multiple-family account.

FY26 UB Metrics		July	August	September	October	November	December
Sewer							
	EDU's	7,234	7,234	7,231	7,232	7,233	7,232
	Accounts	5,598	5,598	5,600	5,598	5,599	5,599
Water Accounts							
	Single Family	3,223	3,223	3,227	3,226	3,226	3,226
	Multi-Residential	264	265	265	266	266	266
	Commercial	220	220	220	219	219	219
	Fire	195	195	200	201	204	204
	Irrigation	78	78	78	78	78	78
	Total Water Accounts	3,980	3,981	3,990	3,990	3,993	3,993

In addition, the Customer Service Department also started tracking its phone volume. Currently, the department is on track to set a few monthly individual records in terms of phone calls, primarily related to the new invoice system as well as the expanded recreational activities.



K. Review of the Long-Range Planning Calendar

- Review Financial Statements
- Review of Accounts Paid & Payable
- Mid-year Reviews – Accounting Initiatives, Budgeted Initiatives Progress, Cash Flow, Grant Revenue, Policy Review
- Form 990 for North Tahoe Building Corporation
- Money Purchase Pension Plan Audit

- Budgeting Cycle
- Risk Management Review (Insurance)
- FYE 2026 Audit

REVIEW TRACKING:

Submitted By: ______________________
Patrick Grimes
Chief Financial Officer

Approved By: ______________________
Bradley A. Johnson, P.E.
General Manager/CEO

NORTH TAHOE
PUBLIC UTILITY DISTRICT

DATE: January 13, 2025 **ITEM:** F-1

FROM: Accounting Department

SUBJECT: Approve Accounts Paid and Payable for the Period from December 9, 2025 to January 12, 2026

RECOMMENDATION:

Approve accounts paid and payable from December 9, 2025 to January 12, 2026.

DISCUSSION:

Pursuant to California Public Utilities Code 16116, "The Accountant … shall draw all warrants to pay demands made against the District when the demands have been first approved by a majority of the Board present at the meeting at which the demands are acted upon." The Chief Financial Officer presents the Finance Committee with both Accounts Paid (warrants or checks written) and Accounts Payable (warrants or checks to be written or demands) for its review.

FISCAL ANALYSIS:

Sufficient funds are included in the 2025-2026 Fiscal Year budget. District staff and the Finance Committee have reviewed and recommended these accounts paid and payable as appropriate District expenditures.

ATTACHMENTS: N/A

MOTION: Approve Staff Recommendation

REVIEW TRACKING:

Submitted By: ______________________
Patrick Grimes
Chief Financial Officer

Approved By: ______________________
Bradley A. Johnson, P.E.
General Manager/CEO

NORTH TAHOE
PUBLIC UTILITY DISTRICT

DATE: January 13, 2026 **ITEM:** H-3a

FROM: Finance Department

SUBJECT: Draft Financial Reports through November 30, 2025

All Funds Consolidated:

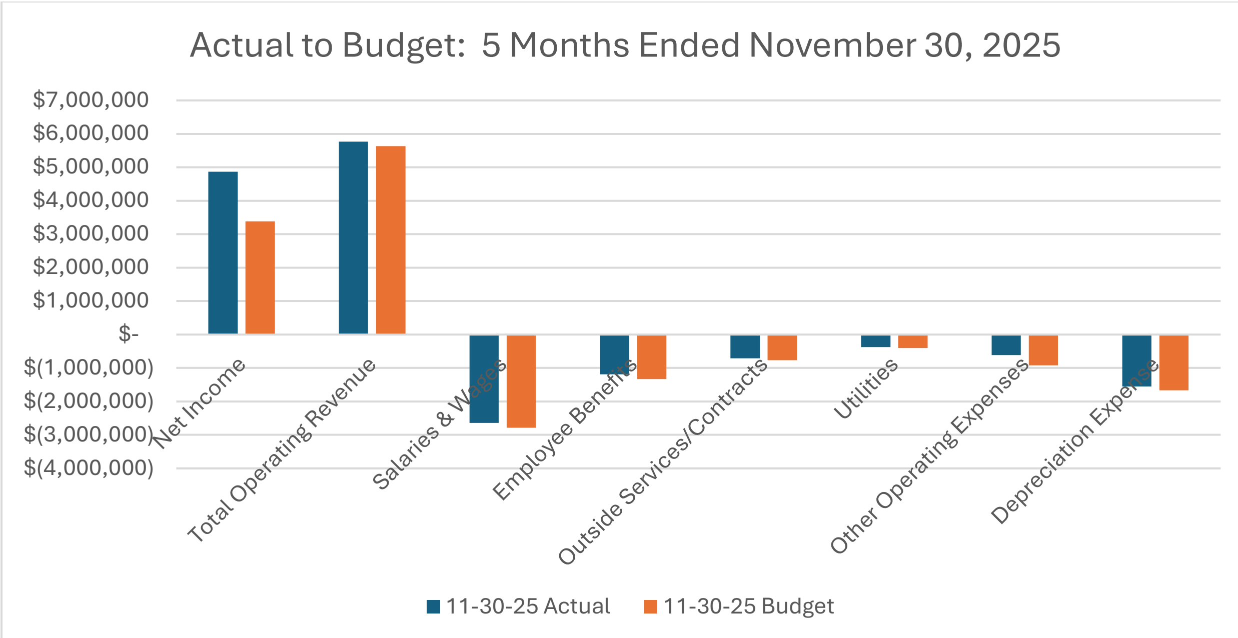
Consolidated Financial Performance

Consolidated Net Income for the five-month period ending November 30, 2025, totaled $4,870,699 which was $1,483,439 better than budget. This five-month Net Income contrasts with the prior year's actual Net Income of $2,121,761 for the same five-month period. The strength of the consolidated performance was primarily driven by higher operating and grant revenues.

As discussed in earlier reports, the District used a straightforward budgeting method that relied on annual projected grant amounts rather than month-by-month estimates. Because of this, some of the early-year variances have begun to normalize, and recent results show stronger alignment with the overall budget plan.

It is important to note, however, that the favorable results to date do not account for grant revenue that was recognized earlier than anticipated in the prior fiscal year but included in the current year's budget. This timing shift is expected to create a gap in this year's grant revenue. In fact, at this point in time, we can anticipate being under in December 2025. Further details are provided on page 32 of the monthly financials.

Furthermore, the consolidated results benefited from favorable variances across nearly every major operational expense category. The differences in our spending were primarily led by reductions in Salaries and Wages $138,690 favorable, Employee Benefits $148,6411 favorable and Other Operating and Expenses $300,102 favorable. Many variances reflect timing effects, and we will monitor them closely. If any begin to appear permanent, we will update the Board accordingly.



Net Income – Line 32

- Actual YTD: $4,870,699
- Budget YTD: $3,387,210
- Variance: $1,483,489
- % Variance: 43.8% Favorable

Consolidated Net Income for the period ending November 30, 2025, totaled $4,870,699, resulting in a $1,483,489 favorable variance compared to budget. This represents continued improvement over October and remains well above the prior year's YTD Net Income of $2,121,761.

Total Operating Revenue – Line 4

- Actual YTD: $5,767,562
- Budget YTD: $5,632,377
- Variance: $135,185
- % Variance: 2.4% Favorable

Total Operating Revenue reached $5,767,562 YTD, producing a $135,185 favorable variance. This represents a modest but steady improvement over budget and reflects stronger activity across several operating divisions. Water Services continued to outperform budget, supported by ancillary revenue growth, while Recreation & Parks saw favorable timing in contract-based revenue. Overall revenue performance is tracking slightly ahead of plan, consistent with prior months.

Salaries and Wages – Line 6

- Actual YTD: $(2,646,494)
- Budget YTD: $(2,785,184)
- Variance: $138,690
- % Variance: 5.0% Favorable

Salaries and Wages totaled $(2,646,494) YTD, generating a $138,690 favorable variance. This continued favorable trend is driven primarily by vacant positions across multiple divisions—including engineering, GIS, and operations roles—which resulted in lower total labor costs. These savings offset unfavorable variances in divisions with seasonal or overtime requirements, such as Recreation & Parks.

Employee Benefits – Line 7

- Actual YTD: $(1,187,449)
- Budget YTD: $(1,336,090)
- Variance: $148,641
- % Variance: 11.1% Favorable

Employee Benefits totaled $(1,187,449) YTD, producing a $148,641 favorable variance. This variance aligns with the trend in Salaries and Wages, reflecting lower benefit utilization tied to vacant positions and timing related differences with budget assumptions.

Outside Services / Contractual – Line 8

- Actual YTD: $(707,049)
- Budget YTD: $(765,408)
- Variance: $58,359
- % Variance: 7.6% Favorable

Outside Services totaled $(707,049) YTD and came in $58,359 favorable to budget. This favorable variance was largely driven by lower professional services spending in General & Administrative. However, certain divisions—particularly Fleet & Equipment and Wastewater—experienced higher-than-budgeted outside services costs due to specialized repairs and operational needs.

Utilities – Line 9

- Actual YTD: $(379,252)
- Budget YTD: $(401,831)
- Variance: $22,579
- % Variance: 5.6% Favorable

Utilities expenses reached $(379,252) YTD, resulting in a $22,579 favorable variance. All divisions contributed to the lower-than-budgeted utilities costs. While the current trend remains favorable, the District continues to anticipate significant rate increases that may offset these savings later in the fiscal year.

Other Operating Expenses – Line 10

- Actual YTD: $(615,385)
- Budget YTD: $(915,487)
- Variance: $300,102
- % Variance: 32.8% Favorable

Other Operating Expenses totaled $(615,385) YTD, resulting in a $300,102 favorable variance, the largest favorable variance among the operating expense categories. This continued slower spending rate is driven by multiple factors, including the timing of purchases, lower repair activity, and the impact of resource allocations related to ongoing capital project work (such as smart meter installations, trail consolidation, and fire suppressant initiatives). All major divisions contributed meaningful savings to this category.

Depreciation – Line 14

- Actual YTD: $(1,548,219)
- Budget YTD: $(1,670,922)
- Variance: $122,703
- % Variance: 7.3% Favorable

Depreciation expense totaled $(1,548,219) YTD, resulting in a $122,703 favorable variance. This positive variance is primarily due to timing differences in capital asset acquisitions and the associated depreciation schedules. Water Operations contributed the largest favorable variance of the total variance. The General & Administrative Support Division experienced a small unfavorable variance , reflecting earlier-than-anticipated depreciation of certain office assets. Overall, the depreciation trend remains favorable relative to budget.

Wastewater Fund Highlights

The Wastewater division reported a Net Loss of $(193,025), which was $225,806 better than budget (53.9% favorable). The improvement was driven primarily by lower operating expenses, especially Other Operating Expenses and Employee Benefits offset by lower operating revenue associated with sewer fees. We continue to project that the annual net income target will be hit.

Key Highlights (YTD Actual vs. YTD Budget):

- **Line 4 – Total Operating Revenue** was $2,293,716 and came in $37,751 lower than budget (-1.6% unfavorable) which is related to the budgeting variance which inflated the sewer fees by about 3%. This variance is being closely monitored.

- **Line 6 – Salaries and Wages** totaled $(550,395) and came in $17,549 below budget (3.1% favorable).
- **Line 7 – Employee Benefits** totaled $(259,279) and came in $48,167 below budget (15.7% favorable).
- **Line 8 – Outside Services** totaled $(83,853) and came in $1,716 below budget (2.0% favorable).
- **Line 9 – Utilities** totaled $(92,293) and came in $93 higher than budget (-0.1% unfavorable).
- **Line 10 – Other Operating Expenses** totaled $(56,927) and came in $76,878 below budget (57.5% favorable) related to primarily to timing differences.
- **Line 14 – Depreciation Expense** totaled $(514,132) and came in $18,333 below budget (3.4% favorable).

Water Fund Highlights

The Water division reported Net Income of $2,194,022, which was $569,272 better than budget (35.0% favorable). The positive performance was driven primarily by lower-than-budgeted operating expenses and higher grant revenues based on timing difference highlighted earlier.

Key Highlights (YTD Actual vs. YTD Budget):

- **Line 4 – Total Operating Revenue** was $2,515,651 and came in $37,837 higher than budget (1.5% favorable).
- **Line 6 – Salaries and Wages** totaled $(471,889) and came in $18,515 below budget (3.8% favorable).
- **Line 7 – Employee Benefits** totaled $(220,523) and came in $40,099 below budget (15.4% favorable).
- **Line 8 – Outside Services** totaled $(123,006) and came in $903 higher than budget (-0.7% unfavorable).
- **Line 9 – Utilities** totaled $(179,782) and came in $14,528 lower than budget (7.5% favorable).
- **Line 10 – Other Operating Expenses** totaled $(175,042) and came in $96,018 below budget (35.4% favorable) related primarily to timing differences.
- **Line 14 – Depreciation Expense** totaled $(538,233) and came in $103,622 below budget (16.1% favorable).

Recreation & Parks Fund Highlights

The Recreation & Parks division reported Net Income of $1,973,134, which was $645,235 better than budget (48.6% favorable). The bulk of the positive variance relates to the timing of the grant revenue compared to the budget. In addition, the Event Center revenue continues to exceed the budget by $95,809.

Key Highlights (YTD Actual vs. YTD Budget):

- **Line 4 – Total Operating Revenue** was $938,830 and came in $130,734 higher than budget (16.2% favorable).
- **Line 6 – Salaries and Wages** totaled $(538,918) and came in $20,369 higher than budget (-3.9% unfavorable). This variance is primarily related to the manner in which the seasonal employees were budgeted evenly over the fiscal year.
- **Line 7 – Employee Benefits** totaled $(232,058) and came in $26,615 below budget (10.3% favorable).
- **Line 8 – Outside Services** totaled $(140,248) and came in $13,169 higher than budget (-10.4% unfavorable).
- **Line 9 – Utilities** totaled $(54,567) and came in $2,154 lower than budget (3.8% favorable).
- **Line 10 – Other Operating Expenses** totaled $(94,948) and came in $24,247 below budget (20.3% favorable).
- **Line 14 – Depreciation Expense** totaled $(363,522) and came in $5,160 lower than budget (1.4% favorable).

Event Center Fund Highlights

The Event Center division reported a Net Loss of $(579), which was $84,051 better than budget (99.3% favorable). Higher-than-budgeted operating revenue and favorable variances in Employee Benefits and Utilities supported this positive outcome.

Key Highlights (YTD Actual vs. YTD Budget):

- **Line 4 – Total Operating Revenue** was $362,820 and came in $89,559 higher than budget (32.8% favorable). The pipeline for future business already booked is significantly higher than the comparable period last year. For instance, there are approximately $405,000 of future wedding events committed compared to only $240,000 at same time last year.
- **Line 6 – Salaries and Wages** totaled $(163,658) and came in $1,332 higher than budget (-0.8% unfavorable).
- **Line 7 – Employee Benefits** totaled $(77,124) and came in $8,882 lower than budget (10.3% favorable).
- **Line 8 – Outside Services/Contractual** totaled $(29,793) and came in $18,468 higher than budget (-163.1% unfavorable). This variance relates

primarily to a change in vendors for linen services as the we generate higher revenues with upgraded linen requests by customers.
- **Line 9 – Utilities** totaled $(29,535) and came in $2,995 lower than budget (9.2% favorable).
- **Line 10 – Other Operating Expenses** totaled $(52,884) and came in $2,576 lower than budget (4.6% favorable).
- **Line 14 – Depreciation Expense** was $0 and remained in line with budget (0.0% variance).

Fleet & Equipment Fund Highlights

The Fleet & Equipment division reported Net Income of $103,382, which was $61,911 better than budget (149.3% favorable). The favorable result was driven primarily by significantly lower Other Operating Expenses.

Key Highlights (YTD Actual vs. YTD Budget):

- **Line 4 – Total Operating Revenue** was $0 and remained in line with budget (0.0% variance).
- **Line 6 – Salaries and Wages** totaled $(67,225) and came in $2,593 lower than budget (3.7% favorable).
- **Line 7 – Employee Benefits** totaled $(35,351) and came in $6,588 lower than budget (15.7% favorable).
- **Line 8 – Outside Services** totaled $(19,956) and came in $8,481 higher than budget (-73.9% unfavorable) due to timing of ancillary accessories for the new trucks.
- **Line 9 – Utilities** totaled $(3,080) and came in $220 lower than budget (6.7% favorable).
- **Line 10 – Other Operating Expenses** totaled $(62,619) and came in $64,281 lower than budget (50.7% favorable) primarily related to timing differences.
- **Line 14 – Depreciation Expense** totaled $(104,768) and came in $1,073 higher than budget (-1.0% unfavorable).

General & Administrative Fund Highlights

The General & Administrative division reported Net Income of $793,187, which was $18,731 less than budget (-2.3% unfavorable). The small variance was driven by lower-than-budgeted Internal Expenses which, in turn, lowers the allocation recovery.

Key Highlights (YTD Actual vs. YTD Budget):

- **Line 4 – Total Operating Revenue** was $19,365 and came in $4,365 higher than budget (29.1% favorable).

- **Line 6 – Salaries and Wages** totaled $(1,018,068) and came in $120,401 lower than budget (10.6% favorable).
- **Line 7 – Employee Benefits** totaled $(440,237) and came in $27,173 lower than budget (5.8% favorable).
- **Line 8 – Outside Services** totaled $(339,985) and came in $79,197 lower than budget (18.9% favorable) related primarily to timing differences.
- **Line 9 – Utilities** totaled $(49,530) and came in $5,770 lower than budget (10.4% favorable).
- **Line 10 – Other Operating Expenses** totaled $(225,849) and came in $38,678 lower than budget (14.6% favorable) related primarily to timing differences.
- **Line 14 – Depreciation Expense** totaled $(27,564) and came in $3,339 higher than budget (-13.8% unfavorable).

ATTACHMENTS: Financial Report for November 30, 2025

REVIEW TRACKING:

Submitted By: ____________________	Approved By: ____________________
Patrick Grimes	Bradley A. Johnson, P.E
Chief Financial Officer	General Manager/CEO

Statement of Revenues and Expenses
For the Period Ended November 30, 2025

	Income Statement	Month-To-Date Actual	Month-To-Date Budget	Month-To-Date Variance	Month-To-Date % Variance	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance	Year-To-Date % Variance	FY 2025 YTD
1	**Operations**									
2	Operating Revenue	$ 937,865	$ 966,214	$ (28,349)	-2.9%	$ 5,686,321	$ 5,544,619	$ 141,702	2.6%	$ 5,188,612
3	Internal Revenue	19,757	20,658	(901)	-4.4%	81,241	87,758	(6,517)	-7.4%	76,269
4	**Total Operating Revenue**	$ 957,622	$ 986,872	$ (29,250)	-3.0%	$ 5,767,562	$ 5,632,377	$ 135,185	2.4%	$ 5,264,881
5										
6	Salaries and Wages	$ (463,246)	$ (487,876)	$ 24,630	5.0%	$ (2,646,494)	$ (2,785,184)	$ 138,690	5.0%	$ (2,477,864)
7	Employee Benefits	(225,097)	(266,141)	41,044	15.4%	(1,187,449)	(1,336,090)	148,641	11.1%	(1,161,879)
8	Outside Services/Contractual	(143,106)	(141,758)	(1,348)	-1.0%	(707,049)	(765,408)	58,359	7.6%	(587,743)
9	Utilities	(76,426)	(68,082)	(8,344)	-12.3%	(379,252)	(401,831)	22,579	5.6%	(385,597)
10	Other Operating Expenses	(85,772)	(119,380)	33,608	28.2%	(615,385)	(915,487)	300,102	32.8%	(666,407)
11	Insurance	(41,236)	(41,164)	(72)	-0.2%	(207,863)	(205,819)	(2,044)	-1.0%	(182,915)
12	Internal Expense	(19,757)	(20,658)	901	4.4%	(81,241)	(87,758)	6,517	7.4%	(74,241)
13	Debt Service	(720)	(720)	-	0.0%	(5,010)	(4,304)	(706)	-16.4%	(11,267)
14	Depreciation	(309,690)	(334,728)	25,038	7.5%	(1,548,219)	(1,670,922)	122,703	7.3%	(1,557,078)
15	**Total Operating Expense**	$ (1,365,050)	$ (1,480,507)	$ 115,457	7.8%	$ (7,377,962)	$ (8,172,803)	$ 794,841	9.7%	$ (7,104,991)
16										
17	**Operating Income(Loss)**	$ (407,428)	$ (493,635)	$ 86,207	17.5%	$ (1,610,400)	$ (2,540,426)	$ 930,026	36.6%	$ (1,840,110)
18										
19	**Non-Operations**									
20	Property Tax Revenue	$ 625,000	$ 625,000	$ -	0.0%	$ 3,125,000	$ 3,125,000	$ -	0.0%	$ 2,875,000
21	Community Facilities District (CFD 94-1)	59,544	60,833	(1,289)	-2.1%	297,721	304,165	(6,444)	-2.1%	290,476
22	Grant Revenue	294,359	-	294,359	100.0%	2,956,086	2,399,750	556,336	23.2%	775,796
23	Interest	18,106	20,000	(1,894)	-9.5%	127,149	100,000	27,149	27.1%	150,352
24	Other Non-Op Revenue	8,500	8,151	349	4.3%	43,074	40,388	2,686	6.7%	135,461
25	Capital Contribution	-	-	-	0.0%	-	-	-	0.0%	-
26	Other Non-Op Expenses	(14,082)	(8,333)	(5,749)	-69.0%	(67,931)	(41,667)	(26,264)	-63.0%	(265,214)
27	**Income(Loss)**	$ 583,999	$ 212,016	$ 371,983	175.5%	$ 4,870,699	$ 3,387,210	$ 1,483,489	43.8%	$ 2,121,761
28										
29	**Additional Funding Sources**									
30	Allocation of Non-Operating Revenue	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	0.0%	$ -
31	Transfers	-	-	-	0.0%	-	-	-	0.0%	-
32	Balance	$ 583,999	$ 212,016	$ 371,983	175.5%	$ 4,870,699	$ 3,387,210	$ 1,483,489	43.8%	$ 2,121,761
	Operating Income	$ (407,428)	$ (493,635)	$ 86,207	17.5%	$ (1,610,400)	$ (2,540,426)	$ 930,026	36.6%	$ (1,840,110)
	Net Income(Loss)	$ 583,999	$ 212,016	$ 371,983	175.5%	$ 4,870,699	$ 3,387,210	$ 1,483,489	43.8%	$ 2,121,761
	Earnings Before Interest, Depreciation & Amortization	$ 894,409	$ 547,464	$ 346,945	63.4%	$ 6,423,928	$ 5,062,436	$ 1,361,492	26.9%	$ 3,690,106
	Operating Ratio	143%	150%	-7%	-5.0%	128%	145%	-17%	-11.8%	135%
	Operating Ratio - plus Tax & CFD	83%	89%	-5%	-6.1%	80%	90%	-10%	-11.0%	84%
	Debt Service Coverage Ratio	811.11	294.47	51664%	-22218%	972.20	786.99	18520%	60179%	188.32

Actual Results For the Month Ended November 30, 2025

	Income Statement	Wastewater	Water	Recreation & Parks	Fleet & Equipment	General & Administrative	Total
1	**Operations**						
2	Operating Revenue	$ 453,364	$ 405,432	$ 74,963	$ -	$ 4,106	$ 937,865
3	Internal Revenue	4,530	4,617	10,610	-	-	19,757
4	**Total Operating Revenue**	$ 457,894	$ 410,049	$ 85,573	$ -	$ 4,106	$ 957,622
5							
6	Salaries and Wages	$ (98,234)	$ (85,554)	$ (77,696)	$ (12,712)	$ (189,049)	$ (463,246)
7	Employee Benefits	(48,902)	(41,806)	(38,068)	(6,706)	(89,615)	(225,097)
8	Outside Services/Contractual	(23,313)	(27,545)	(33,225)	(5,864)	(53,159)	(143,106)
9	Utilities	(29,812)	(25,575)	(9,209)	(860)	(10,969)	(76,426)
10	Other Operating Expenses	(9,451)	(22,185)	(10,518)	(10,049)	(33,570)	(85,772)
11	Internal Expense	(1,025)	(1,278)	(5,441)	(143)	(11,870)	(19,757)
12	Debt Service	-	(720)	-	-	-	(720)
13	Insurance	(8,858)	(8,858)	(8,858)	(4,983)	(9,679)	(41,236)
14	Depreciation	(102,826)	(107,647)	(73,620)	(20,084)	(5,513)	(309,690)
15	Total Operating Expense	(322,421)	(321,168)	(256,635)	(61,401)	(403,423)	(1,365,048)
16							
17	**Operating Contribution**	$ 135,473	$ 88,881	$ (171,061)	$ (61,401)	$ (399,317)	$ (407,426)
18							
19	Allocation of Base	$ -	$ -	$ -	$ -	$ -	$ -
20	Allocation of Fleet	(25,598)	(19,324)	(17,384)	62,306	-	-
21	Allocation of General & Administrative	(142,564)	(141,437)	(110,008)	-	394,009	-
22	**Operating Income(Loss)**	$ (32,689)	$ (71,881)	$ (298,453)	$ 905	$ (5,308)	$ (407,426)
23							
24	**Non-Operations**						
25	Property Tax Revenue	$ -	$ 208,333	$ 266,667	$ 8,333	$ 141,667	$ 625,000
26	Community Facilities District (CFD 94-1)	-	-	59,544	-	-	59,544
27	Grant Revenue	-	210,766	83,593	-	-	294,359
28	Interest	-	-	-	-	18,106	18,106
29	Other Non-Op Revenue	-	348	-	-	8,151	8,500
30	Capital Contribution	-	-	-	-	-	-
31	Other Non-Op Expenses	(2,799)	-	(595)	-	(10,688)	(14,082)
32	**Income(Loss)**	$ (35,488)	$ 347,567	$ 110,755	$ 9,238	$ 151,927	$ 584,000
33							
34	**Additional Funding Sources**						
35	Allocation of Non-Operating Revenue	$ -	$ -	$ -	$ -	$ -	$ -
36	Transfers	-	-	-	-	-	-
37	Balance	$ (35,488)	$ 347,567	$ 110,755	$ 9,238	$ 151,927	$ 584,000
	Earnings Before Interest, Depreciation & Amortization	$ 67,338	$ 455,933	$ 184,375	$ 29,323	$ 157,440	$ 894,410
	Operating Ratio	70%	78%	300%		9825%	Median
	Operating Ratio - plus Tax & CFD	70%	52%	62%	737%	277%	54%

YTD For the Period Ended November 30, 2025

	Income Statement	Wastewater	Water	Recreation & Parks	Fleet & Equipment	General & Administrative	Total
1	**Operations**						
2	Operating Revenue	$ 2,271,066	$ 2,487,410	$ 908,480	$ -	$ 19,365	$ 5,686,321
3	Internal Revenue	22,650	28,241	30,350	-	-	81,241
4	**Total Operating Revenue**	$ 2,293,715	$ 2,515,651	$ 938,830	$ -	$ 19,365	$ 5,767,561
5							
6	Salaries and Wages	$ (550,395)	$ (471,889)	$ (538,918)	$ (67,225)	$ (1,018,068)	$ (2,646,494)
7	Employee Benefits	(259,279)	(220,523)	(232,058)	(35,351)	(440,237)	(1,187,449)
8	Outside Services/Contractual	(83,853)	(123,006)	(140,248)	(19,956)	(339,985)	(707,049)
9	Utilities	(92,293)	(179,782)	(54,567)	(3,080)	(49,530)	(379,252)
10	Other Operating Expenses	(56,927)	(175,042)	(94,948)	(62,619)	(225,849)	(615,385)
11	Internal Expense	(5,644)	(6,389)	(31,811)	(729)	(36,667)	(81,241)
12	Debt Service	-	(5,010)	-	-	-	(5,010)
13	Insurance	(44,290)	(44,290)	(45,973)	(24,915)	(48,395)	(207,863)
14	Depreciation	(514,132)	(538,233)	(363,522)	(104,768)	(27,564)	(1,548,219)
15	Total Operating Expense	(1,606,814)	(1,764,164)	(1,502,046)	(318,643)	(2,186,295)	(7,377,962)
16							
17	**Operating Contribution**	$ 686,902	$ 751,487	$ (563,216)	$ (318,643)	$ (2,166,930)	$ (1,610,401)
18							
19	Allocation of Base	$ -	$ -	$ -	$ -	$ -	$ -
20	Allocation of Fleet	(156,268)	(117,968)	(106,122)	380,358	-	-
21	Allocation of General & Administrative	(710,048)	(778,970)	(644,551)	-	2,133,569	-
22	**Operating Income(Loss)**	$ (179,415)	$ (145,450)	$ (1,313,889)	$ 61,715	$ (33,361)	$ (1,610,401)
23							
24	**Non-Operations**						
25	Property Tax Revenue	$ -	$ 1,041,667	$ 1,333,333	$ 41,667	$ 708,333	$ 3,125,000
26	Community Facilities District (CFD 94-1)	-	-	297,721	-	-	297,721
27	Grant Revenue	-	1,297,141	1,658,945	-	-	2,956,086
28	Interest	-	-	-	-	127,149	127,149
29	Other Non-Op Revenue	-	665	-	-	42,408	43,074
30	Capital Contribution	-	-	-	-	-	-
31	Other Non-Op Expenses	(13,612)	-	(2,977)	-	(51,342)	(67,931)
32	**Income(Loss)**	$ (193,027)	$ 2,194,023	$ 1,973,133	$ 103,382	$ 793,188	$ 4,870,698
33							
34	**Additional Funding Sources**						
35	Allocation of Non-Operating Revenue	$ -	$ -	$ -	$ -	$ -	$ -
36	Transfers	-	-	-	-	-	-
37	Balance	$ (193,027)	$ 2,194,023	$ 1,973,133	$ 103,382	$ 793,188	$ 4,870,698
	Earnings Before Interest, Depreciation & Amortization	$ 321,105	$ 2,737,266	$ 2,336,655	$ 208,149	$ 820,753	$ 6,423,928
	Operating Ratio	70%	70%	160%			Median
	Operating Ratio - plus Tax & CFD	70%	50%	58%			54%

Wastewater Operations
Statement of Revenues and Expenses
For the Period Ended November 30, 2025

	Income Statement	Month-To-Date Actual	Month-To-Date Budget	Month-To-Date Variance	Month-To-Date % Variance	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance	Year-To-Date % Variance	Prior YTD
1	**Operations**									
2	Operating Revenue	$ 453,364	$ 463,553	$ (10,189)	-2.2%	$ 2,271,066	$ 2,308,819	$ (37,753)	-1.6%	$ 2,082,263
3	Internal Revenue	4,530	4,530	-	0.0%	22,650	22,648	2	0.0%	20,400
4	**Total Operating Revenue**	$ 457,894	$ 468,083	$ (10,189)	-2.2%	$ 2,293,716	$ 2,331,467	$ (37,751)	-1.6%	$ 2,102,663
5										
6	Salaries and Wages	$ (98,234)	$ (101,610)	$ 3,376	3.3%	$ (550,395)	$ (567,944)	$ 17,549	3.1%	$ (554,795)
7	Employee Benefits	(48,902)	(56,444)	7,542	13.4%	(259,279)	(307,446)	48,167	15.7%	(284,368)
8	Outside Services/Contractual	(23,313)	(20,019)	(3,294)	-16.5%	(83,853)	(85,569)	1,716	2.0%	(34,975)
9	Utilities	(29,812)	(16,772)	(13,040)	-77.7%	(92,293)	(92,200)	(93)	-0.1%	(82,071)
10	Other Operating Expenses	(9,451)	(20,900)	11,449	54.8%	(56,927)	(133,805)	76,878	57.5%	(88,188)
11	Insurance	(8,858)	(8,971)	113	1.3%	(44,290)	(44,855)	565	1.3%	(38,275)
12	Internal Expense	(1,025)	(1,528)	503	32.9%	(5,644)	(5,640)	(4)	-0.1%	(4,644)
13	Debt Service	-	-	-	0.0%	-	-	-	0.0%	-
14	Depreciation	(102,826)	(106,493)	3,667	3.4%	(514,132)	(532,465)	18,333	3.4%	(515,675)
15	**Total Operating Expense**	$ (322,421)	$ (332,737)	$ 10,316	3.1%	$ (1,606,813)	$ (1,769,924)	$ 163,111	9.2%	$ (1,602,991)
16										
17	**Operating Contribution**	$ 135,473	$ 135,346	$ 127	0.1%	$ 686,903	$ 561,543	$ 125,360	22.3%	$ 499,672
18										
19	Allocation of Base	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	0.0%	$ -
20	Allocation of Fleet	(25,598)	(25,598)	-	0.0%	(156,268)	(156,268)	-	0.0%	(164,826)
21	Allocation of General & Administrative	(142,564)	(150,215)	7,651	5.1%	(710,048)	(824,106)	114,058	13.8%	(697,273)
22	**Operating Income(Loss)**	$ (32,689)	$ (40,467)	$ 7,778	19.2%	$ (179,413)	$ (418,831)	$ 239,418	57.2%	$ (362,427)
23										
24	**Non-Operations**									
25	Property Tax Revenue	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	0.0%	$ -
26	Community Facilities District (CFD 94-1)	-	-	-	0.0%	-	-	-	0.0%	-
27	Grant Revenue	-	-	-	0.0%	-	-	-	0.0%	-
28	Interest	-	-	-	0.0%	-	-	-	0.0%	-
29	Other Non-Op Revenue	-	-	-	0.0%	-	-	-	0.0%	95,356
30	Capital Contribution	-	-	-	0.0%	-	-	-	0.0%	-
31	Other Non-Op Expenses	(2,799)	-	(2,799)	-100.0%	(13,612)	-	(13,612)	-100.0%	(200,080)
32	**Income(Loss)**	$ (35,488)	$ (40,467)	$ 4,979	12.3%	$ (193,025)	$ (418,831)	$ 225,806	53.9%	$ (467,151)
33										
34	**Additional Funding Sources**									
35	Allocation of Non-Operating Revenue	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	0.0%	$ -
36	Transfers	-	-	-	0.0%	-	-	-	0.0%	-
37	Balance	$ (35,488)	$ (40,467)	$ 4,979	12.3%	$ (193,025)	$ (418,831)	$ 225,806	53.9%	$ (467,151)
	Earnings Before Interest, Depreciation & Amortization	$ 67,338	$ 66,026	$ 1,312	2.0%	$ 321,107	$ 113,634	$ 207,473	182.6%	$ 48,524
	Operating Ratio	70%	71%	-1%	-0.9%	70%	76%	-6%	-7.7%	76%
	Operating Ratio - plus Tax & CFD	70%	71%	-1%	-0.9%	70%	76%	-6%	-7.7%	76%

Water Operations

Statement of Revenues and Expenses

For the Period Ended November 30, 2025

	Income Statement	Month-To-Date Actual	Month-To-Date Budget	Month-To-Date Variance	Month-To-Date % Variance	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance	Year-To-Date % Variance	Prior YTD
1	**Operations**									
2	Operating Revenue	$ 405,432	$ 442,733	$ (37,301)	-8.4%	$ 2,487,410	$ 2,449,304	$ 38,106	1.6%	$ 2,316,876
3	Internal Revenue	4,617	5,702	(1,085)	-19.0%	28,241	28,510	(269)	-0.9%	32,231
4	**Total Operating Revenue**	$ 410,049	$ 448,435	$ (38,386)	-8.6%	$ 2,515,651	$ 2,477,814	$ 37,837	1.5%	$ 2,349,107
5										
6	Salaries and Wages	$ (85,554)	$ (87,374)	$ 1,820	2.1%	$ (471,889)	$ (490,404)	$ 18,515	3.8%	$ (409,041)
7	Employee Benefits	(41,806)	(47,848)	6,042	12.6%	(220,523)	(260,622)	40,099	15.4%	(202,035)
8	Outside Services/Contractual	(27,545)	(13,078)	(14,467)	-110.6%	(123,006)	(122,103)	(903)	-0.7%	(115,628)
9	Utilities	(25,575)	(29,072)	3,497	12.0%	(179,782)	(194,310)	14,528	7.5%	(196,945)
10	Other Operating Expenses	(22,185)	(40,310)	18,125	45.0%	(175,042)	(271,060)	96,018	35.4%	(189,873)
11	Insurance	(8,858)	(8,971)	113	1.3%	(44,290)	(44,855)	565	1.3%	(38,275)
12	Internal Expense	(1,278)	(1,278)	-	0.0%	(6,389)	(6,389)	-	0.0%	(5,755)
13	Debt Service	(720)	(720)	-	0.0%	(5,010)	(4,304)	(706)	-16.4%	(11,267)
14	Depreciation	(107,647)	(128,371)	20,724	16.1%	(538,233)	(641,855)	103,622	16.1%	(588,024)
15	**Total Operating Expense**	$ (321,168)	$ (357,022)	$ 35,854	10.0%	$ (1,764,164)	$ (2,035,902)	$ 271,738	13.3%	$ (1,756,843)
16										
17	**Operating Contribution**	$ 88,881	$ 91,413	$ (2,532)	-2.8%	$ 751,487	$ 441,912	$ 309,575	70.1%	$ 592,264
18										
19	Allocation of Base	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	0.0%	$ -
20	Allocation of Fleet	(19,324)	(19,324)	-	0.0%	(117,968)	(117,968)	-	0.0%	(155,664)
21	Allocation of General & Administrative	(141,437)	(168,945)	27,508	16.3%	(778,970)	(926,861)	147,891	16.0%	(729,311)
22	**Operating Income(Loss)**	$ (71,880)	$ (96,856)	$ 24,976	25.8%	$ (145,451)	$ (602,917)	$ 457,466	75.9%	$ (292,711)
23										
24	**Non-Operations**									
25	Property Tax Revenue	$ 208,333	$ 208,333	$ -	0.0%	$ 1,041,667	$ 1,041,667	$ -	0.0%	$ 1,333,333
26	Community Facilities District (CFD 94-1)	-	-	-	0.0%	-	-	-	0.0%	-
27	Grant Revenue	210,766	-	210,766	100.0%	1,297,141	1,186,000	111,141	9.4%	743,568
28	Interest	-	-	-	0.0%	-	-	-	0.0%	-
29	Other Non-Op Revenue	348	-	348	100.0%	665	-	665	100.0%	824
30	Capital Contribution	-	-	-	0.0%	-	-	-	0.0%	-
31	Other Non-Op Expenses	-	-	-	0.0%	-	-	-	0.0%	-
32	**Income(Loss)**	$ 347,567	$ 111,477	$ 236,090	211.8%	$ 2,194,022	$ 1,624,750	$ 569,272	35.0%	$ 1,785,014
33										
34	**Additional Funding Sources**									
35	Allocation of Non-Operating Revenue	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	0.0%	$ -
36	Transfers	-	-	-	0.0%	-	-	-	0.0%	-
37	Balance	$ 347,567	$ 111,477	$ 236,090	211.8%	$ 2,194,022	$ 1,624,750	$ 569,272	35.0%	$ 1,785,014
	Earnings Before Interest, Depreciation & Amortization	$ 455,934	$ 240,568	$ 215,366	89.5%	$ 2,737,265	$ 2,270,909	$ 466,356	20.5%	$ 2,384,305
	Operating Ratio	78%	80%	-1%	-1.6%	70%	82%	-12%	-14.7%	75%
	Operating Ratio - plus Tax & CFD	52%	54%	-2%	-4.5%	50%	58%	-8%	-14.3%	48%

North Tahoe Public Utility District

Recreation & Parks Operations
Statement of Revenues and Expenses
For the Period Ended November 30, 2025

	Income Statement	Month-To-Date Actual	Month-To-Date Budget	Month-To-Date Variance	Month-To-Date % Variance	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance	Year-To-Date % Variance	Prior YTD
1	**Operations**									
2	Operating Revenue	$ 74,963	$ 56,927	$ 18,036	31.7%	$ 908,480	$ 771,496	$ 136,984	17.8%	$ 776,496
3	Internal Revenue	10,610	10,427	183	1.8%	30,350	36,600	(6,250)	-17.1%	21,610
4	**Total Operating Revenue**	$ 85,573	$ 67,354	$ 18,219	27.0%	$ 938,830	$ 808,096	$ 130,734	16.2%	$ 798,106
5										
6	Salaries and Wages	$ (77,696)	$ (92,965)	$ 15,269	16.4%	$ (538,918)	$ (518,549)	$ (20,369)	-3.9%	$ (493,374)
7	Employee Benefits	(38,068)	(47,490)	9,422	19.8%	(232,058)	(258,673)	26,615	10.3%	(231,309)
8	Outside Services/Contractual	(33,225)	(31,919)	(1,306)	-4.1%	(140,248)	(127,079)	(13,169)	-10.4%	(106,311)
9	Utilities	(9,209)	(9,474)	265	2.8%	(54,567)	(56,721)	2,154	3.8%	(53,519)
10	Other Operating Expenses	(10,518)	(7,610)	(2,908)	-38.2%	(94,948)	(119,195)	24,247	20.3%	(96,309)
11	Insurance	(8,858)	(8,971)	113	1.3%	(45,973)	(44,855)	(1,118)	-2.5%	(38,275)
12	Internal Expense	(5,441)	(6,522)	1,081	16.6%	(31,811)	(32,612)	801	2.5%	(35,781)
13	Debt Service	-	-	-	0.0%	-	-	-	0.0%	-
14	Depreciation	(73,620)	(74,280)	660	0.9%	(363,522)	(368,682)	5,160	1.4%	(356,517)
15	**Total Operating Expense**	$ (256,635)	$ (279,231)	$ 22,596	8.1%	$ (1,502,045)	$ (1,526,366)	$ 24,321	1.6%	$ (1,411,395)
16										
17	**Operating Contribution**	$ (171,062)	$ (211,877)	$ 40,815	19.3%	$ (563,215)	$ (718,270)	$ 155,055	21.6%	$ (613,289)
18										
19	Allocation of Base	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	0.0%	$ -
20	Allocation of Fleet	(17,384)	(17,384)	-	0.0%	(106,122)	(106,122)	-	0.0%	(59,384)
21	Allocation of General & Administrative	(110,008)	(127,403)	17,395	13.7%	(644,551)	(698,957)	54,406	7.8%	(576,843)
22	**Operating Income(Loss)**	$ (298,454)	$ (356,664)	$ 58,210	16.3%	$ (1,313,888)	$ (1,523,349)	$ 209,461	13.8%	$ (1,249,516)
23										
24	**Non-Operations**									
25	Property Tax Revenue	$ 266,667	$ 266,667	$ -	0.0%	$ 1,333,333	$ 1,333,333	$ -	0.0%	$ 1,166,667
26	Community Facilities District (CFD 94-1)	59,544	60,833	(1,289)	-2.1%	297,721	304,165	(6,444)	-2.1%	290,476
27	Grant Revenue	83,593	-	83,593	100.0%	1,658,945	1,213,750	445,195	36.7%	32,228
28	Interest	-	-	-	0.0%	-	-	-	0.0%	-
29	Other Non-Op Revenue	-	-	-	0.0%	-	-	-	0.0%	-
30	Capital Contribution	-	-	-	0.0%	-	-	-	0.0%	-
31	Other Non-Op Expenses	(595)	-	(595)	-100.0%	(2,977)	-	(2,977)	-100.0%	(2,905)
32	**Income(Loss)**	$ 110,755	$ (29,164)	$ 139,919	479.8%	$ 1,973,134	$ 1,327,899	$ 645,235	48.6%	$ 236,950
33										
34	**Additional Funding Sources**									
35	Allocation of Non-Operating Revenue	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	0.0%	$ -
36	Transfers	-	-	-	0.0%	-	-	-	0.0%	-
37	Balance	$ 110,755	$ (29,164)	$ 139,919	479.8%	$ 1,973,134	$ 1,327,899	$ 645,235	48.6%	$ 236,950
	Earnings Before Interest, Depreciation & Amortization	$ 184,375	$ 45,116	$ 139,259	308.7%	$ 2,336,656	$ 1,696,581	$ 640,075	37.7%	$ 593,467
	Operating Ratio	300%	415%	-115%	-27.7%	160%	189%	-29%	-15.3%	177%
	Operating Ratio - plus Tax & CFD	62%	71%	-8%	-11.9%	58%	62%	-4%	-6.4%	63%

51-5100

Division: Recreation & Parks

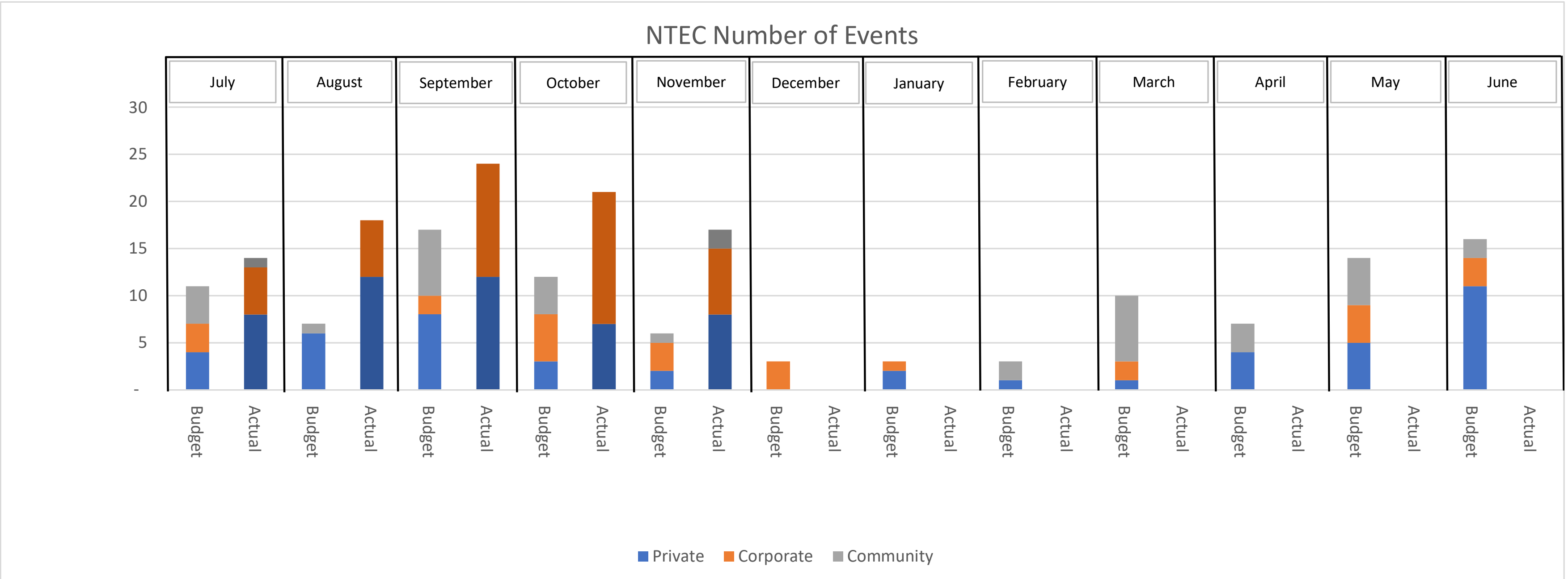
Department: Event Center Operations

Statement of Revenues and Expenses
For the Period Ended November 30, 2025

	Income Statement	Month-To-Date Actual	Month-To-Date Budget	Month-To-Date Variance	Month-To-Date % Variance	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance	Year-To-Date % Variance	Prior YTD
1	**Operations**									
2	Operating Revenue	$ 40,038	$ 20,340	$ 19,698	96.8%	$ 332,470	$ 236,661	$ 95,809	40.5%	$ 223,500
3	Internal Revenue	10,610	10,427	183	1.8%	30,350	36,600	(6,250)	-17.1%	21,610
4	**Total Operating Revenue**	$ 50,648	$ 30,767	$ 19,881	64.6%	$ 362,820	$ 273,261	$ 89,559	32.8%	$ 245,110
5										
6	Salaries and Wages	$ (24,454)	$ (29,173)	$ 4,719	16.2%	$ (163,658)	$ (162,326)	$ (1,332)	-0.8%	$ (150,362)
7	Employee Benefits	(12,189)	(15,790)	3,601	22.8%	(77,124)	(86,006)	8,882	10.3%	(73,284)
8	Outside Services/Contractual	(10,185)	(8,565)	(1,620)	-18.9%	(29,793)	(11,325)	(18,468)	-163.1%	(11,007)
9	Utilities	(5,829)	(5,870)	41	0.7%	(29,535)	(32,530)	2,995	9.2%	(29,020)
10	Other Operating Expenses	(6,621)	(4,235)	(2,386)	-56.3%	(52,884)	(55,460)	2,576	4.6%	(54,166)
11	Insurance	-	-	-	0.0%	-	-	-	0.0%	-
12	Internal Expense	(2,068)	(2,049)	(19)	-0.9%	(10,405)	(10,244)	(161)	-1.6%	(9,277)
13	Debt Service	-	-	-	0.0%	-	-	-	0.0%	-
14	Depreciation	-	-	-	0.0%	-	-	-	0.0%	-
15	**Total Operating Expense**	$ (61,346)	$ (65,682)	$ 4,336	6.6%	$ (363,399)	$ (357,891)	$ (5,508)	-1.5%	$ (327,116)
16										
17	**Operating Contribution**	$ (10,698)	$ (34,915)	$ 24,217	69.4%	$ (579)	$ (84,630)	$ 84,051	99.3%	$ (82,006)
18										
19	Allocation of Base	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	0.0%	$ -
20	Allocation of Fleet	-	-	-	0.0%	-	-	-	0.0%	-
21	Allocation of General & Administrative	-	-	-	0.0%	-	-	-	0.0%	-
22	**Operating Income(Loss)**	$ (10,698)	$ (34,915)	$ 24,217	69.4%	$ (579)	$ (84,630)	$ 84,051	99.3%	$ (82,006)
23										
24	**Non-Operations**	-	-							
25	Property Tax Revenue	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	0.0%	$ -
26	Community Facilities District (CFD 94-1)	-	-	-	0.0%	-	-	-	0.0%	-
27	Grant Revenue	-	-	-	0.0%	-	-	-	0.0%	-
28	Interest	-	-	-	0.0%	-	-	-	0.0%	-
29	Other Non-Op Revenue	-	-	-	0.0%	-	-	-	0.0%	-
30	Capital Contribution	-	-	-	0.0%	-	-	-	0.0%	-
31	Other Non-Op Expenses	-	-	-	0.0%	-	-	-	0.0%	-
32	**Income(Loss)**	$ (10,698)	$ (34,915)	$ 24,217	69.4%	$ (579)	$ (84,630)	$ 84,051	99.3%	$ (82,006)
33										
34	**Additional Funding Sources**									
35	Allocation of Non-Operating Revenue	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	0.0%	$ -
36	Transfers	-	-	-	0.0%	-	-	-	0.0%	-
37	Balance	$ (10,698)	$ (34,915)	$ 24,217	69.4%	$ (579)	$ (84,630)	$ 84,051	99.3%	$ (82,006)

North Tahoe Event Center
Reservation Pipeline

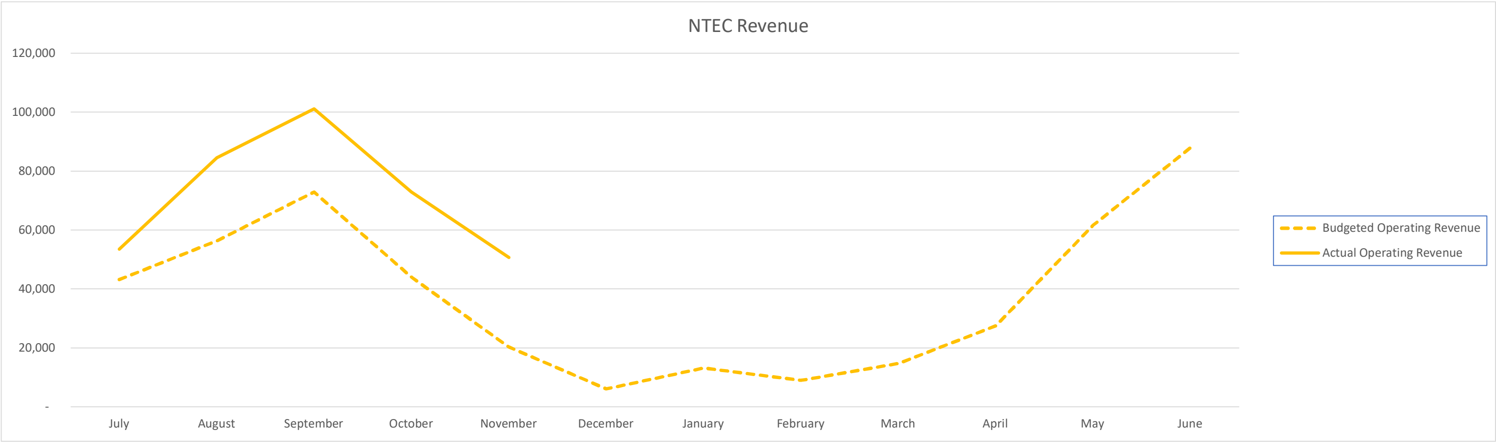
		July	August	September	October	November	December	January	February	March	April	May	June	Total
Revenue														
	Private	29,060	47,036	55,898	23,660	10,790	-	9,585	5,810	4,980	22,000	39,020	73,468	321,307
	Corporate	5,620	-	1,370	13,190	9,370	6,068	570	-	2,110	-	12,000	9,140	59,438
	Community	8,504	1,740	11,620	4,123	180	-	-	3,183	5,610	2,480	5,628	1,340	44,408
Budgeted Total Room Rent		43,184	48,776	68,888	40,973	20,340	6,068	10,155	8,993	12,700	24,480	56,648	83,948	425,153
2026	Private	26,030	66,180	68,630	49,735	25,460	-	900	5,800	5,840	39,950	34,200	70,190	392,915
	Corporate	6,170	5,690	14,140	15,570	9,540	1,710	1,420	4,070	2,510	1,440	1,340	1,700	65,300
	Community	8,580	-	-	-	8,060	4,800	-	-	-	-	6,800	-	28,240
Actual Total Room Rent		40,780	71,870	82,770	65,305	43,060	6,510	2,320	9,870	8,350	41,390	42,340	71,890	486,455
2027	Private	62,200	52,600	65,900	41,650	20,500	-	-	-	-	4,500	-	-	247,350
	Corporate	1,340	6,080	1,700	1,340	1,440	1,140	-	-	-	-	-	-	13,040
	Community	-	-	-	-	-	-	-	-	-	-	-	-	-
Actual Total Room Rent		63,540	58,680	67,600	42,990	21,940	1,140	-	-	-	4,500	-	-	260,390
2028	Private	-	2,180	-	-	-	-	-	-	-	-	-	-	2,180
	Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-
	Community	-	-	-	-	-	-	-	-	-	-	-	-	-
Actual Total Room Rent		-	2,180	-	-	-	-	-	-	-	-	-	-	2,180
# Events														
2026	Budgeted Private	4	6	8	3	2	-	2	1	1	4	5	11	47
	Budgeted Corporate	3	-	2	5	3	3	1	-	2	-	4	3	26
	Budgeted Community	4	1	7	4	1	-	-	2	7	3	5	2	36
		11	7	17	12	6	3	3	3	10	7	14	16	109
2026	Actual Private	8	12	12	7	8	-	1	1	2	8	5	12	76
	Actual Corporate	5	6	12	14	7	3	2	5	4	3	2	3	66
	Actual Community	1	-	-	-	2	1	-	-	-	-	1	-	5
		14	18	24	21	17	4	3	6	6	11	8	15	147
2027	Actual Private	9	7	10	6	4	-	-	-	-	1	-	-	37
	Actual Corporate	2	3	3	2	3	2	-	-	-	-	-	-	15
	Actual Community	-	-	-	-	-	-	-	-	-	-	-	-	-
		11	10	13	8	7	2	-	-	-	1	-	-	52
2028	Actual Private	-	1	-	-	-	-	-	-	-	-	-	-	1
	Actual Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-
	Actual Community	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	1	-	-	-	-	-	-	-	-	-	-	1

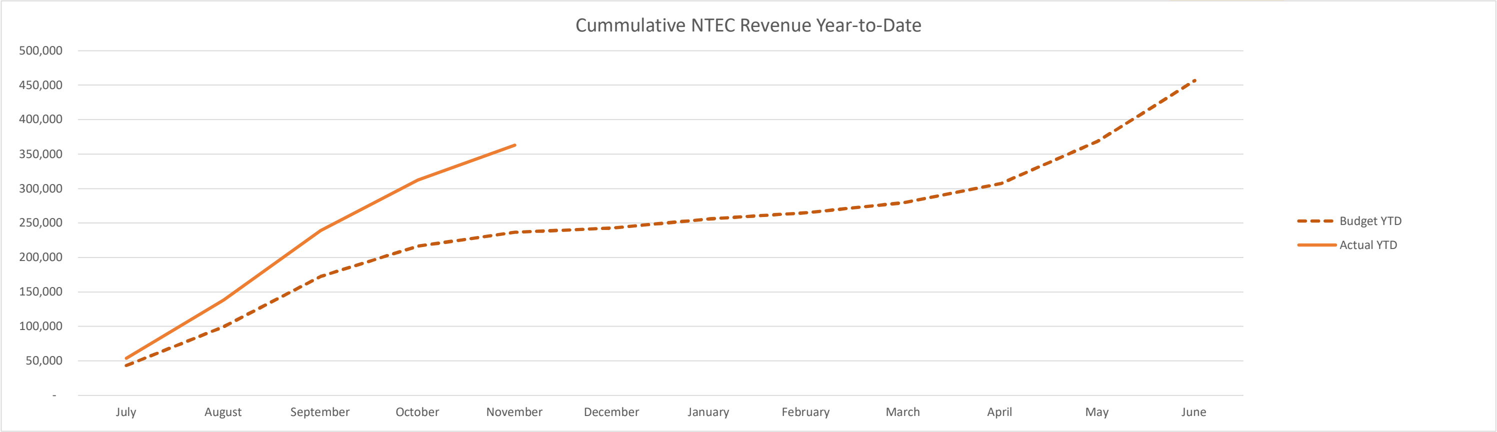


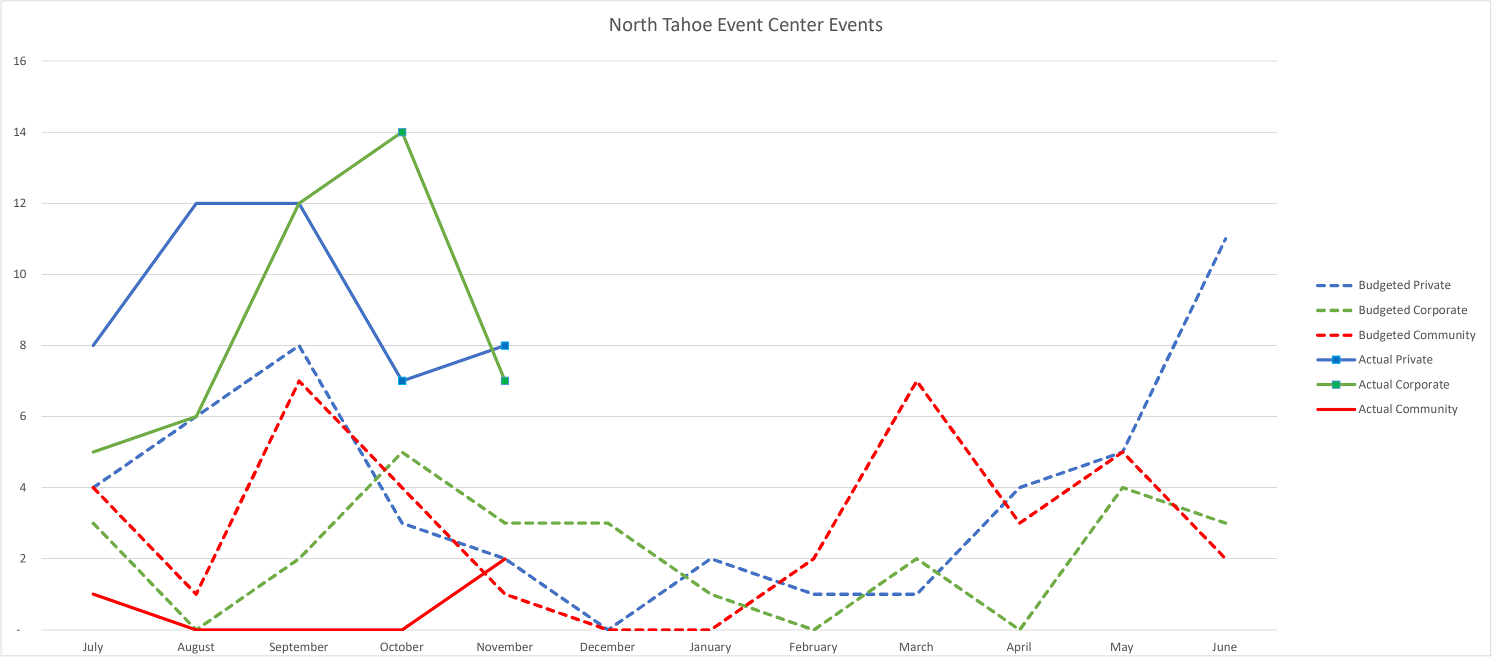
NTEC Number of Events
July
August
September
October
November
December
January
February
March
April
May
June
30
25
20
15
10
5
-
Budget
Actual
Private
Corporate
Community

North Tahoe Event Center
FY 2025-26

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Revenue													
Private	29,060	47,036	55,898	23,660	10,790	-	9,585	5,810	4,980	22,000	39,020	73,468	321,307
Corporate	5,620	-	1,370	13,190	9,370	6,068	570	-	2,110	-	12,000	9,140	59,438
Community	8,504	1,740	11,620	4,123	180	-	-	3,183	5,610	2,480	5,628	1,340	44,408
Budgeted Total Room Rent	43,184	48,776	68,888	40,973	20,340	6,068	10,155	8,993	12,700	24,480	56,648	83,948	425,153
Program Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Ancillary Revenue	-	7,500	4,000	3,000	-	-	3,000	-	2,000	3,000	5,000	4,000	31,500
Budgeted Operating Revenue	43,184	56,276	72,888	43,973	20,340	6,068	13,155	8,993	14,700	27,480	61,648	87,948	456,653
Private	26,030	66,180	68,630	49,735	25,460	-	-	-	-	-	-	-	236,035
Corporate	6,170	5,690	14,140	15,570	9,540	-	-	-	-	-	-	-	51,110
Community	8,580	-	-	-	8,060	-	-	-	-	-	-	-	16,640
Actual Total Room Rent	40,780	71,870	82,770	65,305	43,060	-	-	-	-	-	-	-	303,785
Program Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Ancillary Revenue	12,752	12,712	18,331	7,652	7,588	-	-	-	-	-	-	-	59,035
Actual Operating Revenue	53,532	84,582	101,101	72,957	50,648	-	-	-	-	-	-	-	362,820
Variance to Budget	10,348	28,306	28,213	28,984	30,308	(6,068)	(13,155)	(8,993)	(14,700)	(27,480)	(61,648)	(87,948)	(93,833)
# Events													
Budgeted Private	4	6	8	3	2	-	2	1	1	4	5	11	47
Budgeted Corporate	3	-	2	5	3	3	1	-	2	-	4	3	26
Budgeted Community	4	1	7	4	1	-	-	2	7	3	5	2	36
	11	7	17	12	6	3	3	3	10	7	14	16	109
Actual Private	8	12	12	7	8	-	-	-	-	-	-	-	47
Actual Corporate	5	6	12	14	7	-	-	-	-	-	-	-	44
Actual Community	1	-	-	-	2	-	-	-	-	-	-	-	3
	14	18	24	21	17	-	-	-	-	-	-	-	94


NTEC Revenue
120,000
100,000
80,000
60,000
40,000
20,000
-
July
August
September
October
November
December
January
February
March
April
May
June
Budgeted Operating Revenue
Actual Operating Revenue


Cummulative NTEC Revenue Year-to-Date
500,000
450,000
400,000
350,000
300,000
250,000
200,000
150,000
100,000
50,000
-
July
August
September
October
November
December
January
February
March
April
May
June
Budget YTD
Actual YTD



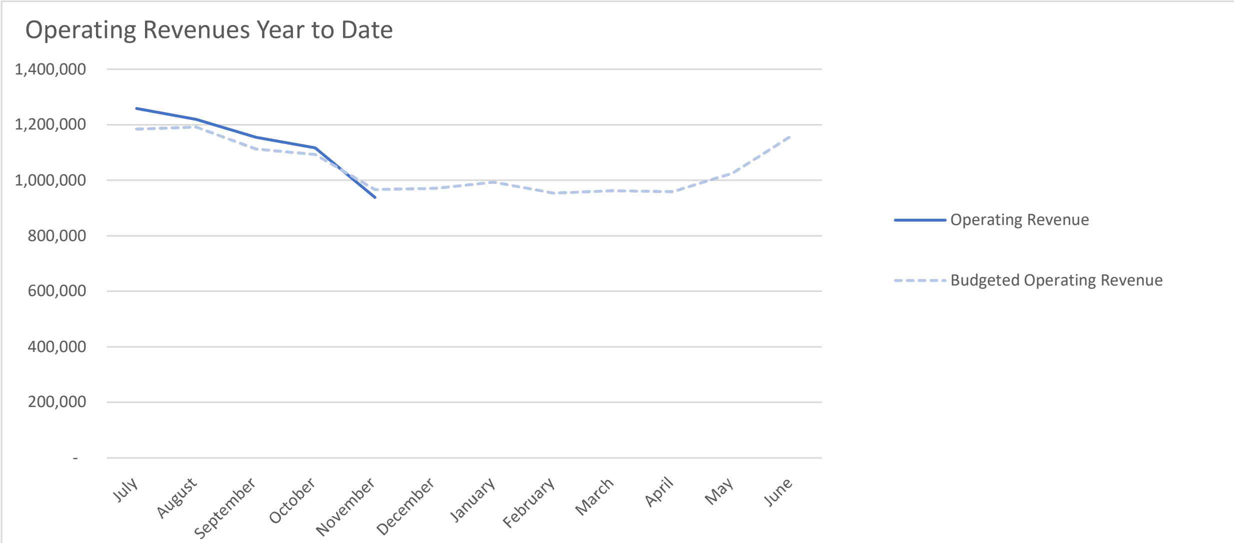
* Program & Recreation events reporting to be forthcoming

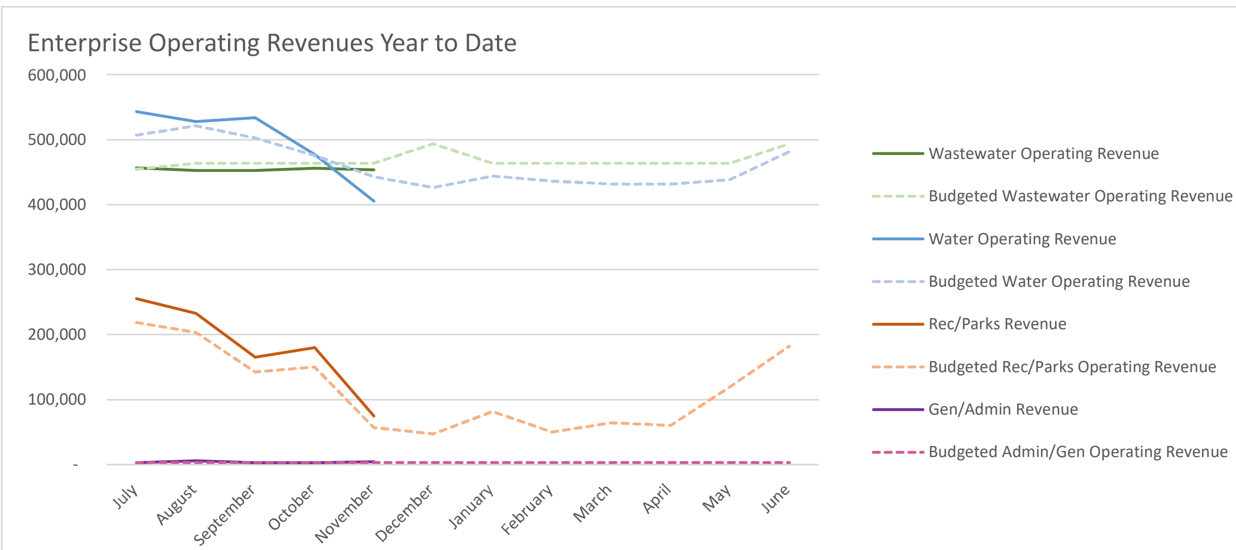
Fleet & Equipment Support
Statement of Revenues and Expenses
For the Period Ended November 30, 2025

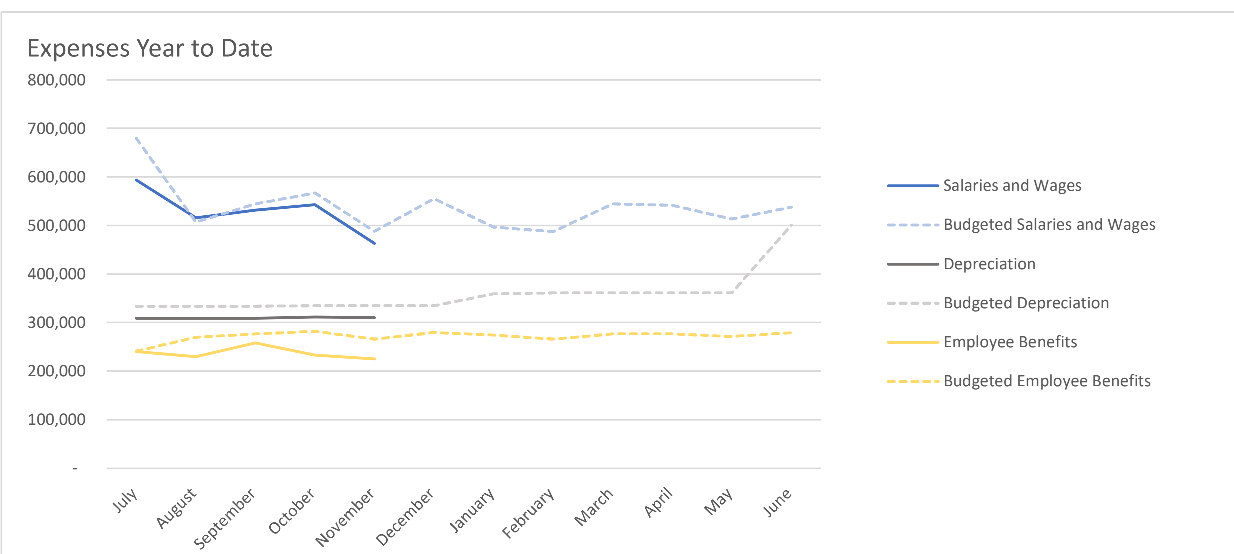
		Month-To-Date				Year-To-Date				Prior
	Income Statement	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD
1	**Operations**									
2	Operating Revenue	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	0.0%	$ -
3	Internal Revenue	-	-	-	0.0%	-	-	-	0.0%	-
4	**Total Operating Revenue**	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	0.0%	$ -
5										
6	Salaries and Wages	$ (12,712)	$ (12,508)	$ (204)	-1.6%	$ (67,225)	$ (69,818)	$ 2,593	3.7%	$ (67,744)
7	Employee Benefits	(6,706)	(7,700)	994	12.9%	(35,351)	(41,939)	6,588	15.7%	(38,152)
8	Outside Services/Contractual	(5,864)	(425)	(5,439)	-1279.8%	(19,956)	(11,475)	(8,481)	-73.9%	(13,649)
9	Utilities	(860)	(550)	(310)	-56.4%	(3,080)	(3,300)	220	6.7%	(3,047)
10	Other Operating Expenses	(10,049)	(15,700)	5,651	36.0%	(62,619)	(126,900)	64,281	50.7%	(95,887)
11	Insurance	(4,983)	(4,530)	(453)	-10.0%	(24,915)	(22,651)	(2,264)	-10.0%	(25,710)
12	Internal Expense	(143)	(155)	12	7.7%	(729)	(776)	47	6.1%	(670)
13	Debt Service	-	-	-	0.0%	-	-	-	0.0%	-
14	Depreciation	(20,084)	(20,739)	655	3.2%	(104,768)	(103,695)	(1,073)	-1.0%	(77,946)
15	**Total Operating Expense**	$ (61,401)	$ (62,307)	$ 906	1.5%	$ (318,643)	$ (380,554)	$ 61,911	16.3%	$ (322,805)
16										
17	**Operating Contribution**	$ (61,401)	$ (62,307)	$ 906	1.5%	$ (318,643)	$ (380,554)	$ 61,911	16.3%	$ (322,805)
18										
19	Allocation of Base	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	0.0%	$ -
20	Allocation of Fleet	62,306	62,306	-	0.0%	380,358	380,358	-	0.0%	379,873
21	Allocation of General & Administrative	-	-	-	0.0%	-	-	-	0.0%	-
22	**Operating Income(Loss)**	$ 905	$ (1)	$ 906	90600.0%	$ 61,715	$ (196)	$ 61,911	31587.2%	$ 57,068
23										
24	**Non-Operations**									
25	Property Tax Revenue	$ 8,333	$ 8,333	$ -	0.0%	$ 41,667	$ 41,667	$ -	0.0%	$ 41,667
26	Community Facilities District (CFD 94-1)	-	-	-	0.0%	-	-	-	0.0%	-
27	Grant Revenue	-	-	-	0.0%	-	-	-	0.0%	-
28	Interest	-	-	-	0.0%	-	-	-	0.0%	-
29	Other Non-Op Revenue	-	-	-	0.0%	-	-	-	0.0%	-
30	Capital Contribution	-	-	-	0.0%	-	-	-	0.0%	-
31	Other Non-Op Expenses	-	-	-	0.0%	-	-	-	0.0%	-
32	**Income(Loss)**	$ 9,238	$ 8,332	$ 906	10.9%	$ 103,382	$ 41,471	$ 61,911	149.3%	$ 98,735
33										
34	**Additional Funding Sources**									
35	Allocation of Non-Operating Revenue	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	0.0%	$ -
36	Transfers	-	-	-	0.0%	-	-	-	0.0%	-
37	Balance	$ 9,238	$ 8,332	$ 906	10.9%	$ 103,382	$ 41,471	$ 61,911	149.3%	$ 98,735
	Earnings Before Interest, Depreciation & Amortization	$ 29,322	$ 29,071	$ 251	0.9%	$ 208,150	$ 145,166	$ 62,984	43.4%	$ 176,681

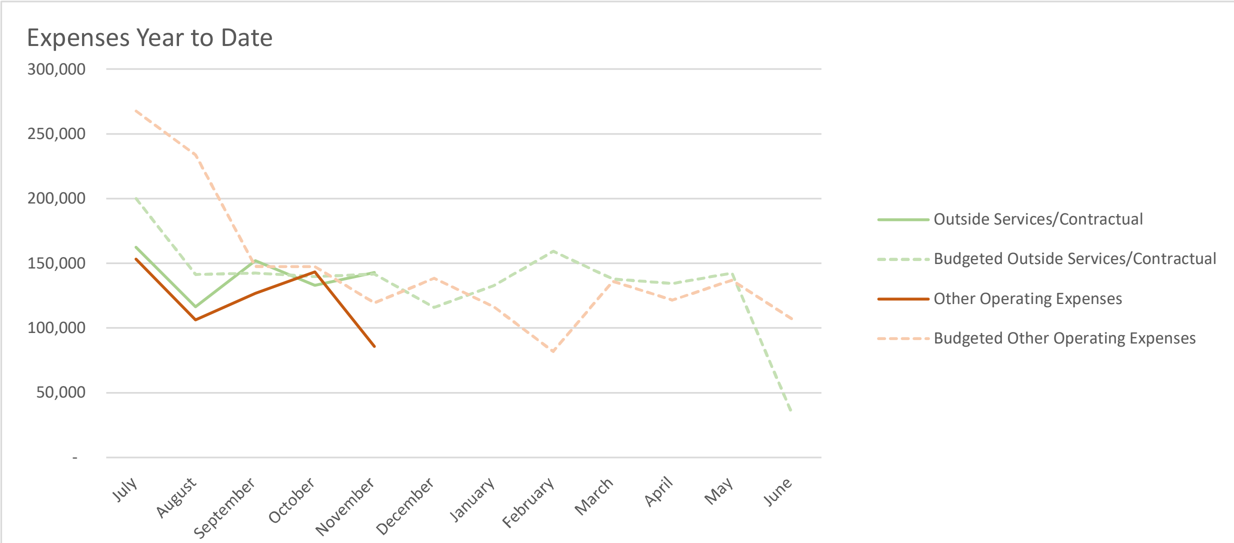
General & Administrative Support
Statement of Revenues and Expenses
For the Period Ended November 30, 2025

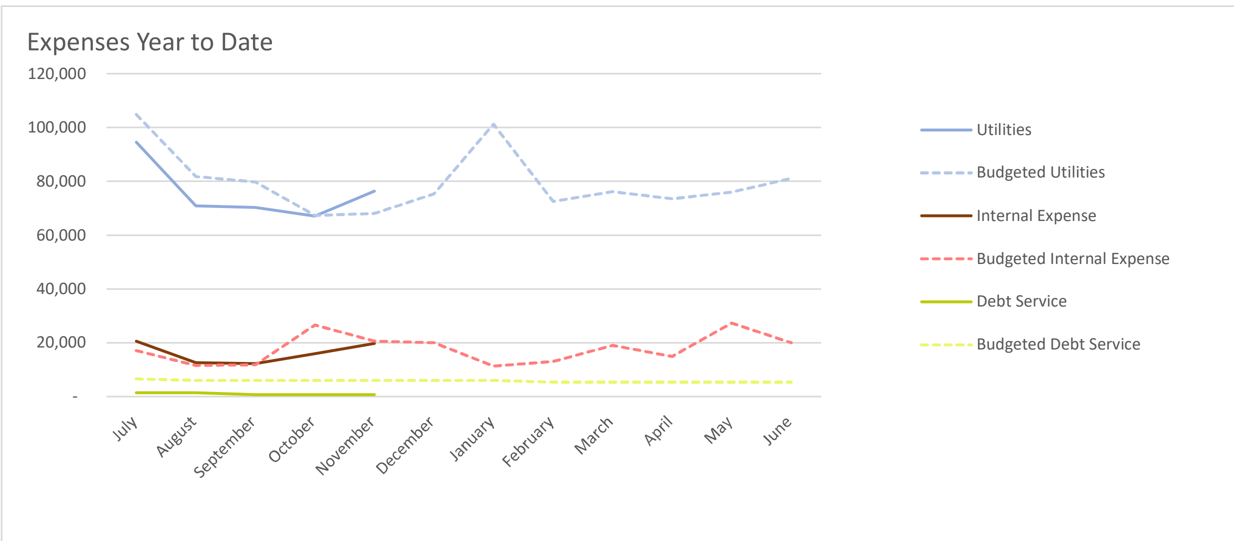
	Income Statement	Month-To-Date Actual	Month-To-Date Budget	Month-To-Date Variance	Month-To-Date % Variance	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance	Year-To-Date % Variance	Prior YTD
1	**Operations**									
2	Operating Revenue	$ 4,106	$ 3,000	$ 1,106	36.9%	$ 19,365	$ 15,000	$ 4,365	29.1%	$ 15,005
3	Internal Revenue	-	-	-	0.0%	-	-	-	0.0%	-
4	**Total Operating Revenue**	$ 4,106	$ 3,000	$ 1,106	36.9%	$ 19,365	$ 15,000	$ 4,365	29.1%	$ 15,005
5										
6	Salaries and Wages	$ (189,049)	$ (193,420)	$ 4,371	2.3%	$ (1,018,068)	$ (1,138,469)	$ 120,401	10.6%	$ (952,910)
7	Employee Benefits	(89,615)	(106,658)	17,043	16.0%	(440,237)	(467,410)	27,173	5.8%	(406,016)
8	Outside Services/Contractual	(53,159)	(76,317)	23,158	30.3%	(339,985)	(419,182)	79,197	18.9%	(317,180)
9	Utilities	(10,969)	(12,214)	1,245	10.2%	(49,530)	(55,300)	5,770	10.4%	(50,015)
10	Other Operating Expenses	(33,570)	(34,860)	1,290	3.7%	(225,849)	(264,527)	38,678	14.6%	(196,150)
11	Insurance	(9,679)	(9,721)	42	0.4%	(48,395)	(48,605)	210	0.4%	(42,380)
12	Internal Expense	(11,870)	(11,175)	(695)	-6.2%	(36,667)	(42,342)	5,675	13.4%	(27,392)
13	Debt Service	-	-	-	0.0%	-	-	-	0.0%	-
14	Depreciation	(5,513)	(4,845)	(668)	-13.8%	(27,564)	(24,225)	(3,339)	-13.8%	(18,915)
15	**Total Operating Expense**	$ (403,424)	$ (449,210)	$ 45,786	10.2%	$ (2,186,295)	$ (2,460,060)	$ 273,765	11.1%	$ (2,010,958)
16										
17	**Operating Contribution**	$ (399,318)	$ (446,210)	$ 46,892	10.5%	$ (2,166,930)	$ (2,445,060)	$ 278,130	11.4%	$ (1,995,953)
18										
19	Allocation of Base	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	0.0%	$ -
20	Allocation of Fleet	-	-	-	0.0%	-	-	-	0.0%	-
21	Allocation of General & Administrative	394,009	446,564	(52,555)	-11.8%	2,133,569	2,449,924	(316,355)	-12.9%	2,003,427
22	**Operating Income(Loss)**	$ (5,309)	$ 354	$ (5,663)	-1599.7%	$ (33,361)	$ 4,864	$ (38,225)	-785.9%	$ 7,474
23										
24	**Non-Operations**									
25	Property Tax Revenue	$ 141,667	$ 141,667	$ -	0.0%	$ 708,333	$ 708,333	$ -	0.0%	$ 333,333
26	Community Facilities District (CFD 94-1)	-	-	-	0.0%	-	-	-	0.0%	-
27	Grant Revenue	-	-	-	0.0%	-	-	-	0.0%	-
28	Interest	18,106	20,000	(1,894)	-9.5%	127,149	100,000	27,149	27.1%	150,352
29	Other Non-Op Revenue	8,151	8,151	-	0.0%	42,408	40,388	2,020	5.0%	39,281
30	Capital Contribution	-	-	-	0.0%	-	-	-	0.0%	-
31	Other Non-Op Expenses	(10,688)	(8,333)	(2,355)	-28.3%	(51,342)	(41,667)	(9,675)	-23.2%	(62,229)
32	**Income(Loss)**	$ 151,927	$ 161,839	$ (9,912)	-6.1%	$ 793,187	$ 811,918	$ (18,731)	-2.3%	$ 468,211
33										
34	**Additional Funding Sources**									
35	Allocation of Non-Operating Revenue	$ -	$ -	$ -	0.0%	$ -	$ -	$ -	0.0%	$ -
36	Transfers	-	-	-	0.0%	-	-	-	0.0%	-
37	Balance	$ 151,927	$ 161,839	$ (9,912)	-6.1%	$ 793,187	$ 811,918	$ (18,731)	-2.3%	$ 468,211
	Earnings Before Interest, Depreciation & Amortization	$ 157,440	$ 166,684	$ (9,244)	-5.5%	$ 820,751	$ 836,143	$ (15,392)	-1.8%	$ 487,126


Operating Revenues Year to Date
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
-
July
August
September
October
November
December
January
February
March
April
May
June
Operating Revenue
Budgeted Operating Revenue

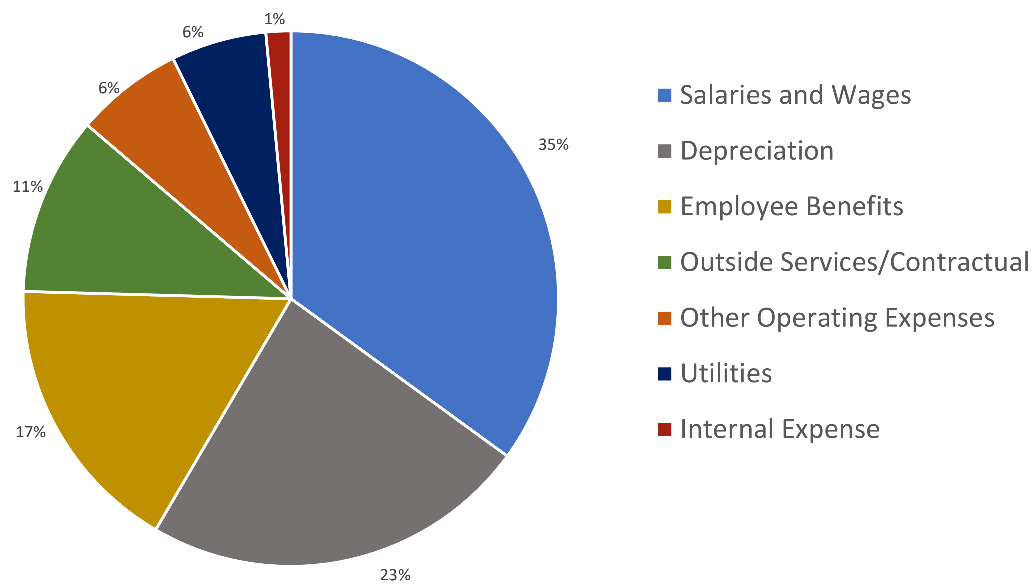

Enterprise Operating Revenues Year to Date
600,000
500,000
400,000
300,000
200,000
100,000
-
July
August
September
October
November
December
January
February
March
April
May
June
Wastewater Operating Revenue
Budgeted Wastewater Operating Revenue
Water Operating Revenue
Budgeted Water Operating Revenue
Rec/Parks Revenue
Budgeted Rec/Parks Operating Revenue
Gen/Admin Revenue
Budgeted Admin/Gen Operating Revenue


Expenses Year to Date
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
-
July
August
September
October
November
December
January
February
March
April
May
June
Salaries and Wages
Budgeted Salaries and Wages
Depreciation
Budgeted Depreciation
Employee Benefits
Budgeted Employee Benefits

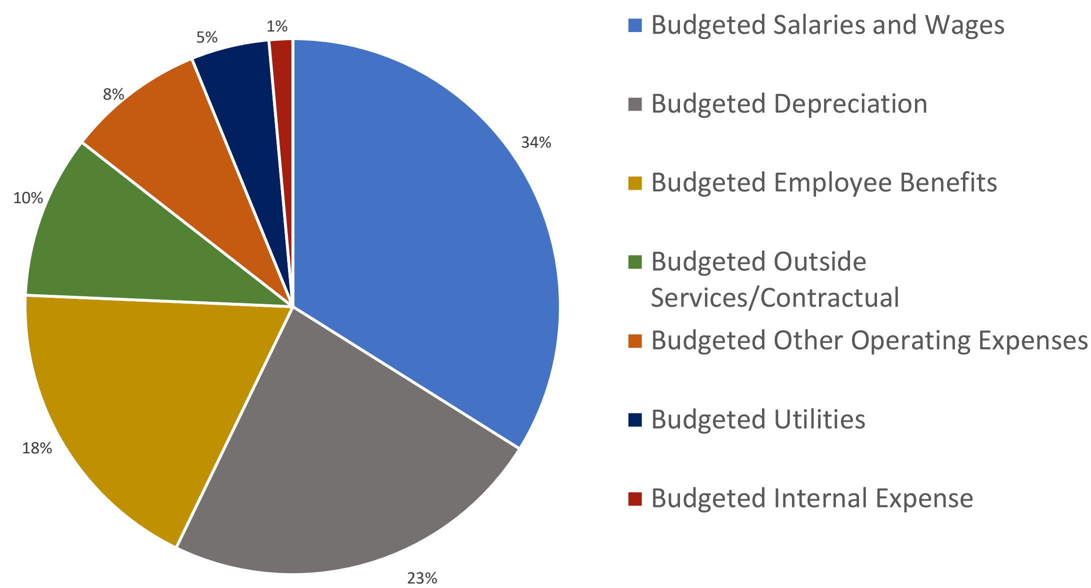

Expenses Year to Date
300,000
250,000
200,000
150,000
100,000
50,000
-
July
August
September
October
November
December
January
February
March
April
May
June
Outside Services/Contractual
Budgeted Outside Services/Contractual
Other Operating Expenses
Budgeted Other Operating Expenses


Expenses Year to Date
120,000
100,000
80,000
60,000
40,000
20,000
-
July
August
September
October
November
December
January
February
March
April
May
June
Utilities
Budgeted Utilities
Internal Expense
Budgeted Internal Expense
Debt Service
Budgeted Debt Service

Actual November



Budgeted November



Capital Outlay

Projects In Process

For the Period Ended November 30, 2025

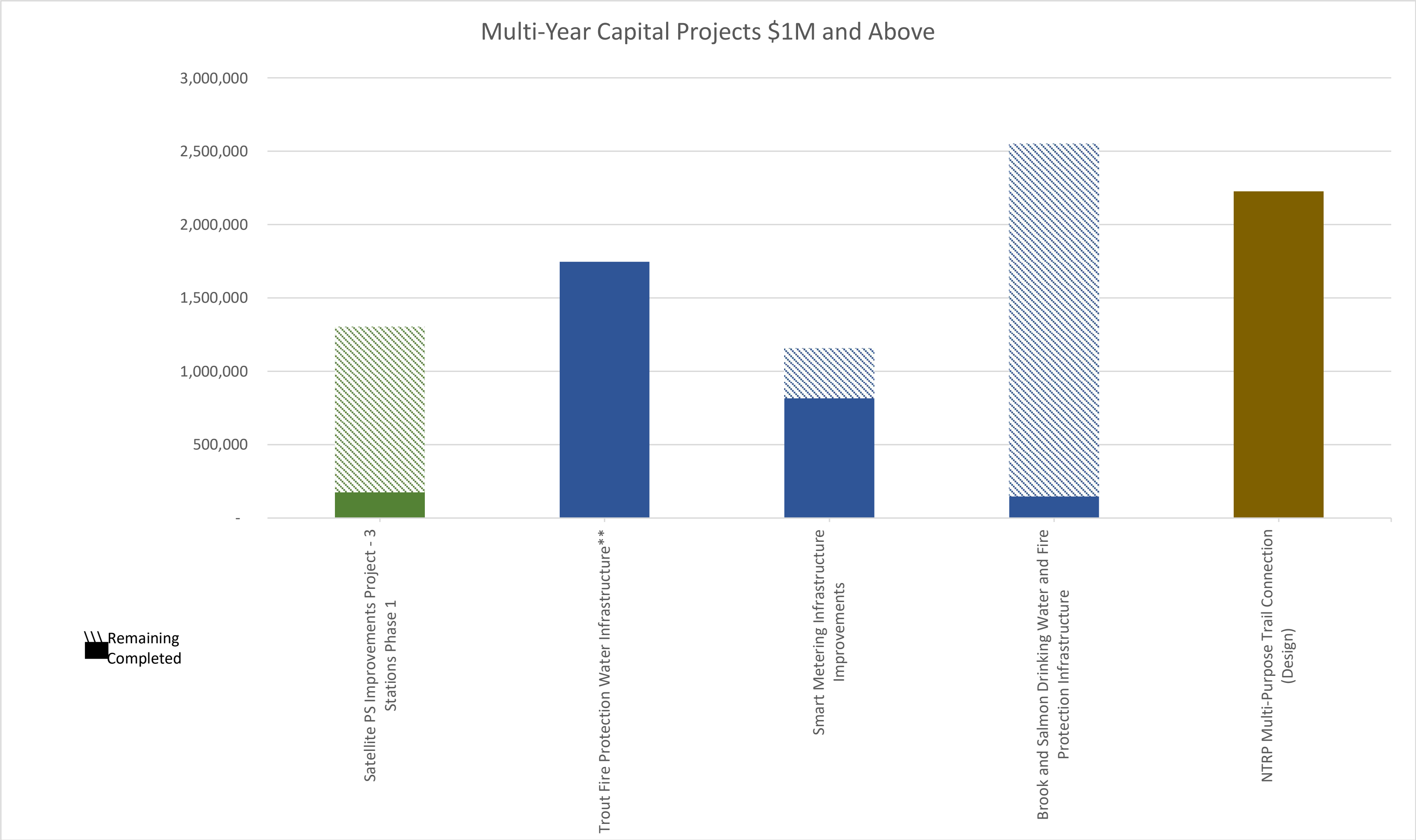
Project Number	Project Description	2026 Adopted Budget	ACTUAL Prior Year Open Project Rollforward	Budget Adjustment	Total Available Budget	Year To Date Actual	Year To Date Encumbered	Year To Date (Over) Under Budget	Return to Reserves	C = Complete	G = Grant Funded	Grant Amount	Grant Funding
	Administration & Base												
2151-0000	Master Plan: Corporation Yard Layout *	$ 90,000	$ 85,631	$ -	175,631	$ 48,653	$ 201,038	$ (74,060)					
2601-0000	Base Administration Building Improvements	25,000		-	25,000	1,792	-	23,208					
2602-0000	Annex Vactor Bay Addition	450,000		-	450,000	22,791	76,532	350,678					
2615-0000	Server and Network Equipment Replacement	15,000		-	15,000	-	-	15,000					
				-	-	-	-	-					
	Total Administration Purchases	$ 580,000	$ 85,631	$ -	$ 665,631	$ 73,236	$ 277,570	$ 314,826	$ -			$ -	
	Fleet												
2620-0000	11-Yard Vac-Con	$ 85,000			$ 85,000	$ -	$ 750,357	$ (665,357)					
2621-0000	Parks Utility Cart	18,000			18,000	-	-	18,000					
2622-0000	Portable Water Pump	120,000			120,000	-	-	120,000					
2623-0000	Vaccuum Excavation Trailer/Valve Exerciser	15,000			15,000	-	-	15,000					
2624-0000	Vehicle Analyzer and Diagnostic Equipment	15,000			15,000	12,066	-	2,934					
2625-0000	MultiHog Attachments	18,000			18,000	-	-	18,000					
2630-0000	Truck: 1/2 ton 1500HD 4x4 GMC Sierra	130,000			130,000	56,516	52,359	21,125					
	Total Fleet Purchases	$ 401,000	$ -	$ -	$ 401,000	$ 68,582	$ 802,716	$ (470,297)	$ -			$ -	
	Wastewater												
2445-0000	Sewage Export System Inspection/Analysis Predesign/Construction **		$ 183,594		$ 183,594	$ 15,228	64,812	$ 103,553					
2547-0000	Satellite PS Improvements Project - 3 Stations Phase 1	1,200,000	1,613		1,201,613	76,760	1,850,070	(725,217)					
2548-0000	State Route 28 Adjust Structures - Wastewater	85,000	65,000		150,000	-	-	150,000					
2640-0000	Lower Lateral CIPP Rehabilitation	85,000			85,000	-	-	85,000					
2641-0000	Sewer Force Main Improvements	85,000			85,000	-	-	85,000					
2643-0000	Sewer Collection System Improvements	85,000			85,000	-	-	85,000					
2649-0000	SCADA Infrastructure Improvements	85,000			85,000	-	-	85,000					
2652-0000	Sewage Pump Station Improvements	85,000			85,000	13,239	78,650	(6,889)					
2653-0000	Satellite PS Improvements Project - 2 Stations Phase 2	80,000			80,000	717	-	79,283					
					-	-	-	-					
					-	-	-	-					
	Total Wastewater Purchases	$ 1,790,000	$ 250,207	$ -	$ 2,040,207	$ 105,944	$ 1,993,532	$ (59,269)	$ -			$ -	

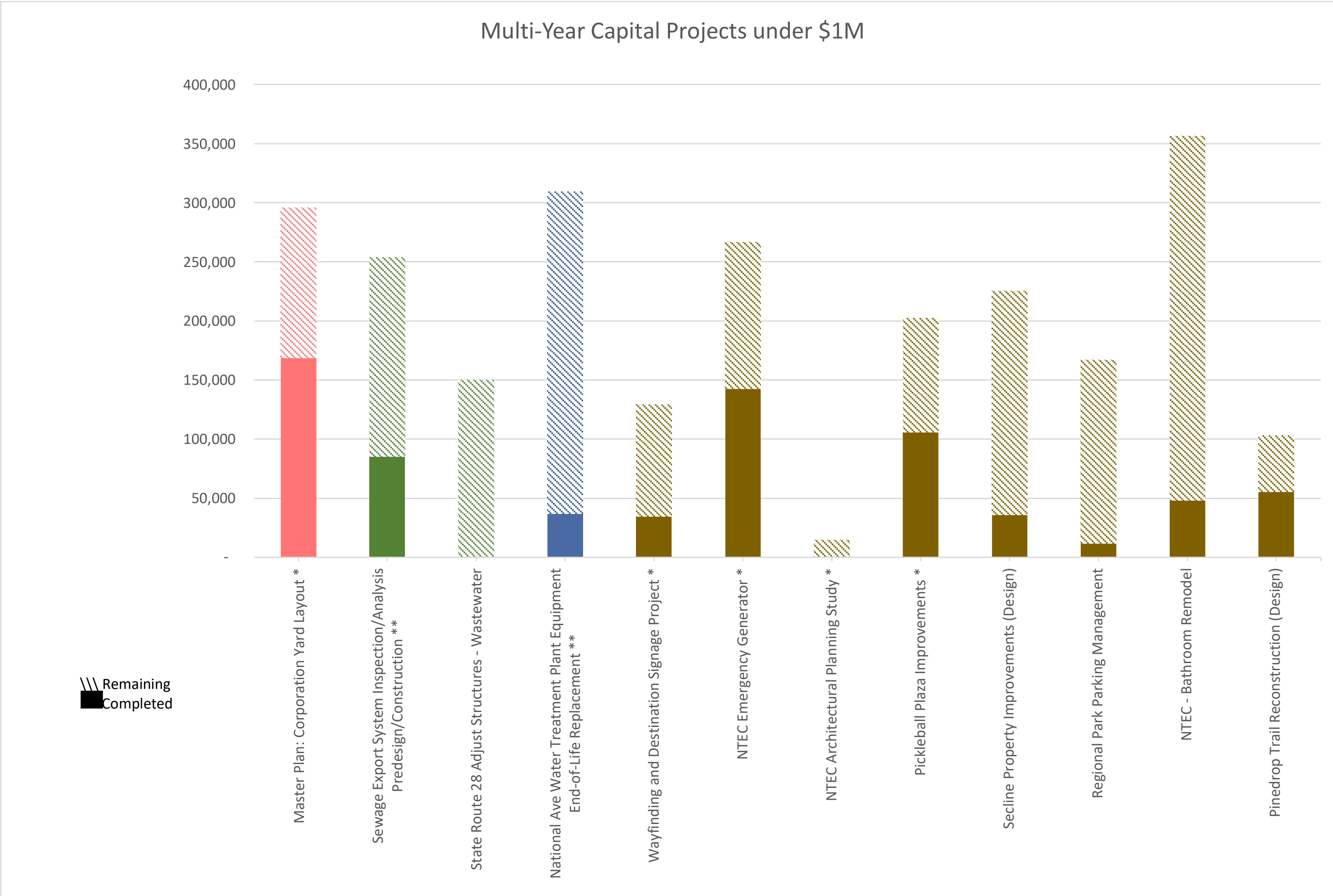
Capital Outlay

Projects In Process

For the Period Ended November 30, 2025

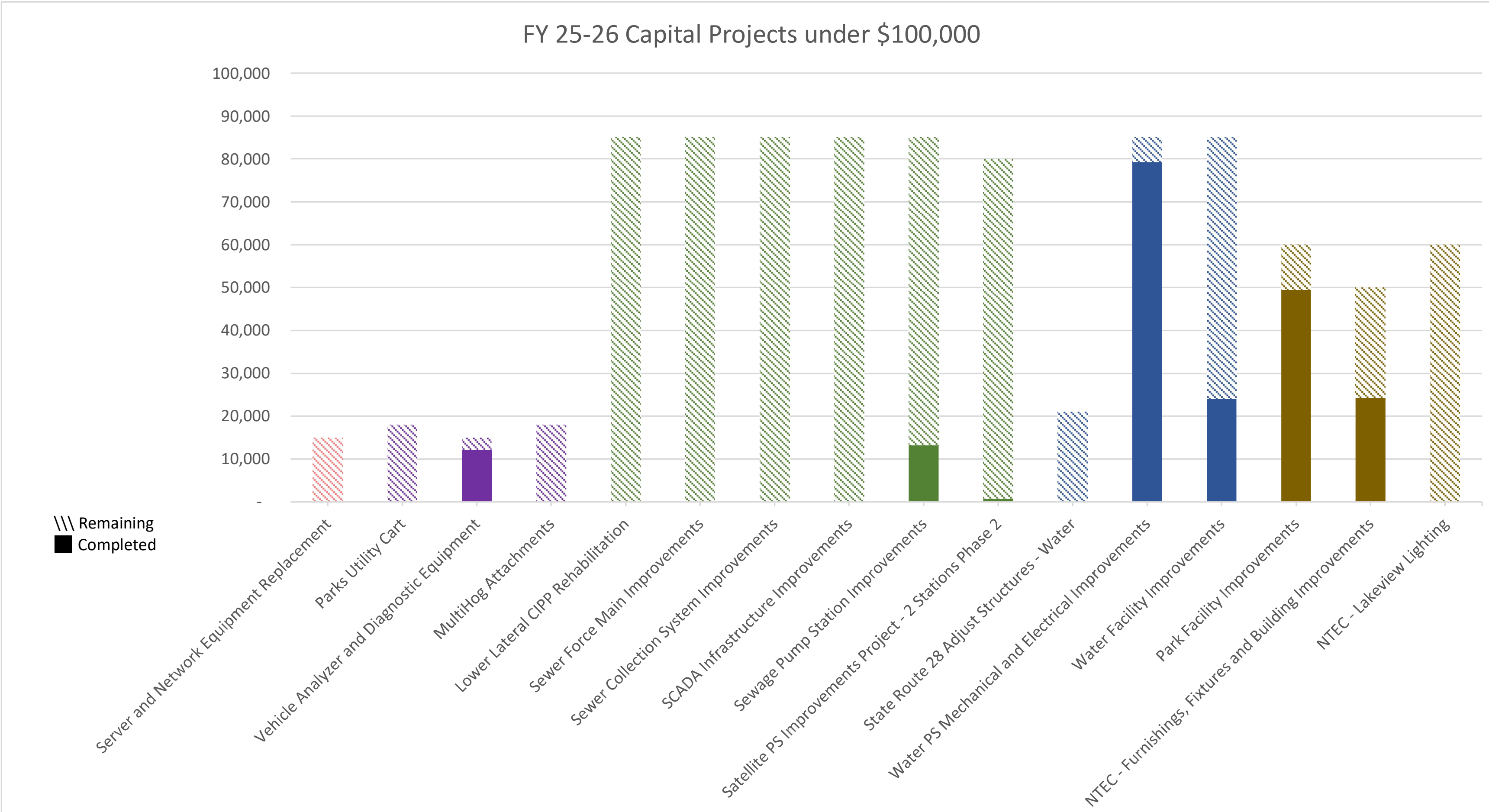
Project Number	Project Description	2026 Adopted Budget	ACTUAL Prior Year Open Project Rollforward	Budget Adjustment	Total Available Budget	Year To Date Actual	Year To Date Encumbered	Year To Date (Over) Under Budget	Return to Reserves	C = Complete	G = Grant Funded	Grant Amount	Grant Funding
	Water												
2464-0000	National Ave Water Treatment Plant Equipment End-of-Life Replacement **	$ 300,000	$ 9,367	$ -	$ 309,367	$ 37,006	$ 508,389	$ (236,028)					
2465-0000	Trout Fire Protection Water Infrastructure**		1,709,954		1,709,954	1,722,049	9,023	(21,118)			G	1,250,000	73%
2562-0000	Smart Metering Infrastructure Improvements	800,000	299,147		1,099,147	757,614	286,121	55,412			G	500,000	45%
2660-0000	State Route 28 Adjust Structures - Water	21,000		-	21,000	-	-	21,000					
2661-0000	Brook and Salmon Drinking Water and Fire Protection	50,000		-	50,000	-	-	50,000					
2662-0000	Speckled Service Replacements	375,000	(1,343)	-	373,657	129,718	58,596	185,343					
2663-0000	Water System Consolidation	200,000		-	200,000	974	125,640	73,386			G	75,000	38%
2664-0000	Zone 2 to Zone 1 Pressure Reducing Valve Connection	100,000		-	100,000	44,387	44,808	10,805			G	50,000	50%
2670-0000	Water PS Mechanical and Electrical Improvements	85,000		-	85,000	79,280	997	4,723					
2671-0000	Water Facility Improvements	85,000		-	85,000	23,999	943	60,058					
	Total Water Purchases	$ 2,016,000	$ 2,017,125	$ -	$ 4,033,125	$ 2,795,027	$ 1,034,518	$ 203,580	$ -			$ 1,875,000	
	Recreation and Parks												
2040-0PLC	Wayfinding and Destination Signage Project *		$ 129,218	$ -	$ 129,218	$ 34,711	$ 10,731	$ 83,776			G	$ 136,141	105%
2192-0000	NTEC Emergency Generator *	40,000	226,528	-	266,528	142,714	130,085	(6,271)			G	360,415	135%
2284-0000	NTEC Architectural Planning Study *		14,702	-	14,702	-	-	14,702					
2484-0000	NTRP Multi-Purpose Trail Connection (Design)	2,000,000	(46,527)		1,953,473	2,100,023	29,595	(176,145)			G	1,601,505	82%
2486-0000	Pickleball Plaza Improvements *	250,000	(47,613)	-	202,387	105,874	13,378	83,135	83,135	C	G	286,000	141%
2580-0000	Secline Property Improvements (Design)	210,000	15,352	-	225,352	35,836	266,021	(76,505)			G	740,000	328%
2581-0000	Regional Park Parking Management	150,000	17,051	-	167,051	11,805	25,920	129,325					
2591-0000	NTEC - Bathroom Remodel	350,000	6,186	-	356,186	48,195	382,460	(74,470)					
2680-0000	Pinedrop Trail Reconstruction (Design)	150,000	(46,772)	-	103,228	55,672	49,549	(1,994)					
2682-0000	Park Facility Improvements	60,000		-	60,000	49,465	-	10,535					
2690-0000	NTEC - Furnishings, Fixtures and Building Improvements	50,000		-	50,000	24,254	10,725	15,021					
2691-0000	NTEC - Lakeview Lighting	60,000	-	-	60,000	-	-	60,000					
			-	-	-	-	-	-					
			-	-	-	-	-	-					
	Total Recreation and Parks Purchases	$ 3,320,000	$ 268,125	$ -	$ 3,588,125	$ 2,608,551	$ 918,464	$ 61,110	$ 83,135			$ 3,124,061	
*	Project carry-over from Prior Year												
**	Multi-year encumberance - on 5 year CIP												
#	Non-grant cost reimbursement												
	Administration & Base	$ 580,000	$ 85,631	$ -	$ 665,631	$ 73,236	$ 277,570	$ 314,826	$ -			$ -	
	Fleet	401,000	-	-	401,000	68,582	802,716	(470,297)	-			-	
	Wastewater	1,790,000	250,207	-	2,040,207	105,944	1,993,532	(59,269)	-			-	
	Water	2,016,000	2,017,125	-	4,033,125	2,795,027	1,034,518	203,580	-			1,875,000	
	Recreation and Parks	3,320,000	268,125	-	3,588,125	2,608,551	918,464	61,110	83,135			3,124,061	
	Total Capital Expenditures	$ 8,107,000	$ 2,621,088	$ -	$ 10,728,088	$ 5,651,340	$ 5,026,799	$ 49,949	$ 83,135			$ 4,999,061	


Multi-Year Capital Projects $1M and Above
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
-
Satellite PS Improvements Project - 3 Stations Phase 1
Trout Fire Protection Water Infrastructure**
Smart Metering Infrastructure Improvements
Brook and Salmon Drinking Water and Fire Protection Infrastructure
NTRP Multi-Purpose Trail Connection (Design)
Remaining
Completed



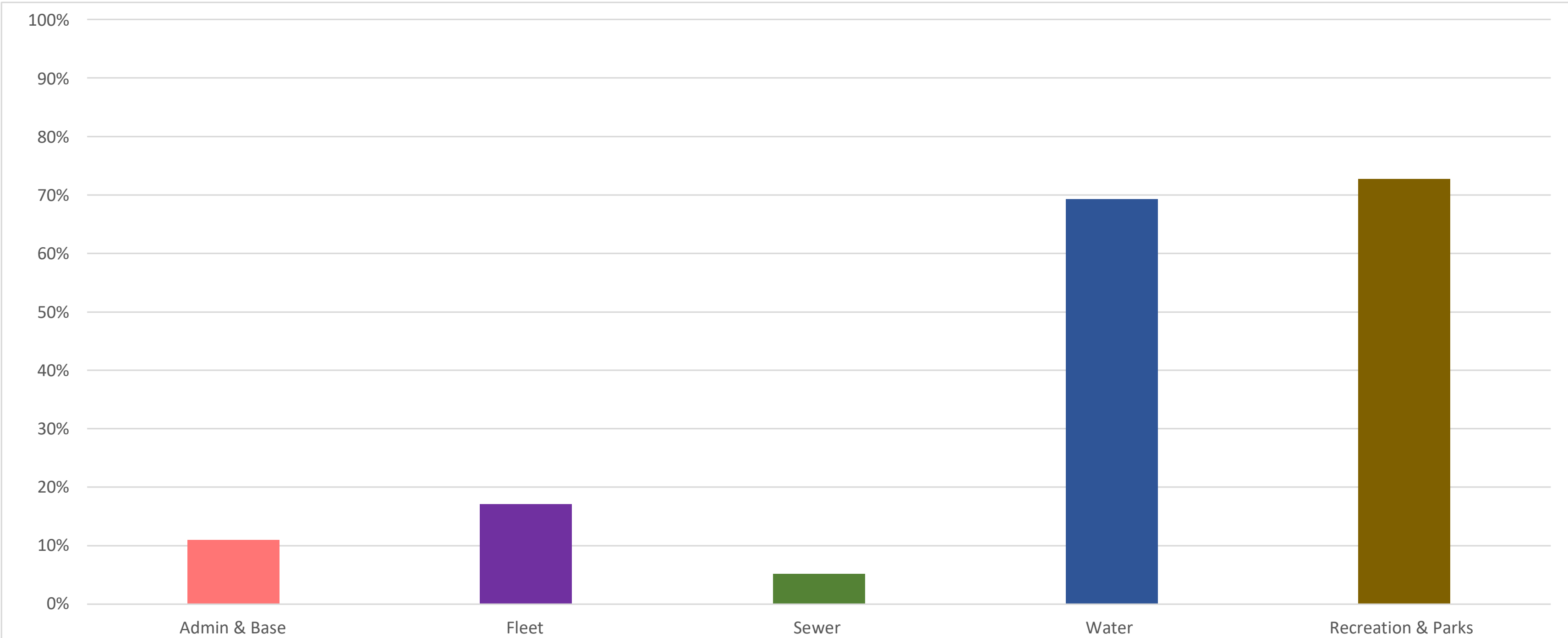
Multi-Year Capital Projects under $1M
400,000
350,000
300,000
250,000
200,000
150,000
100,000
50,000
-
Master Plan: Corporation Yard Layout *
Sewage Export System Inspection/Analysis Predesign/Construction **
State Route 28 Adjust Structures - Wastewater
National Ave Water Treatment Plant Equipment End-of-Life Replacement **
Wayfinding and Destination Signage Project *
NTEC Emergency Generator *
NTEC Architectural Planning Study *
Pickleball Plaza Improvements *
Secline Property Improvements (Design)
Regional Park Parking Management
NTEC - Bathroom Remodel
Pinedrop Trail Reconstruction (Design)
Remaining
Completed


FY 25-26 Capital Projects $100,000 and Above
1,000,000
900,000
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
-
Annex Vactor Bay Addition
Base Administration Building Improvements
11-Yard Vac-Con
Portable Water Pump
Vaccuum Excavation Trailer/Valve Exerciser
Truck: 1/2 ton 1500HD 4x4 GMC Sierra
Speckled Service Replacements
Water System Consolidation
Zone 2 to Zone 1 Pressure Reducing Valve Connection
Remaining
Completed
** Multi-year encumberance


FY 25-26 Capital Projects under $100,000
100,000
90,000
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000
-
\\\ Remaining
Completed
Server and Network Equipment Replacement
Parks Utility Cart
Vehicle Analyzer and Diagnostic Equipment
MultiHog Attachments
Lower Lateral CIPP Rehabilitation
Sewer Force Main Improvements
Sewer Collection System Improvements
SCADA Infrastructure Improvements
Sewage Pump Station Improvements
Satellite PS Improvements Project - 2 Stations Phase 2
State Route 28 Adjust Structures - Water
Water PS Mechanical and Electrical Improvements
Water Facility Improvements
Park Facility Improvements
NTEC - Furnishings, Fixtures and Building Improvements
NTEC - Lakeview Lighting

Capital Projects Expended by Enterprise as % of Current Year Budget for Enterprise

Budget $ 665,631 $ 401,000 $ 2,040,207 $ 4,033,125 $ 3,588,125



Consolidated Balance Sheet
For the Period Ended November 30, 2025

		Current Month		Prior Month		FYE 2025
ASSETS						
Current Assets						
Cash & Cash Equivalents	$	8,210,199	$	8,168,570	$	12,623,130
Investments		199,468		199,468		199,468
Due (To)/From Other Fund		-		-		-
Accounts Receivable		4,488,397		3,887,878		1,598,083
Inventory		239,897		239,897		239,897
Deposits and Prepaid Expenses		267,190		320,534		558,980
Total Current Assets	**$**	**13,405,150**	**$**	**12,816,346**	**$**	**15,219,558**
Restricted Assets						
Cash & Cash Equivalents	$	483,185	$	483,185	$	483,185
Accounts Receivable		3,003,791		3,111,946		872,882
Deposits and Prepaid Expenses		-		-		-
Total Restricted Assets	**$**	**3,486,975**	**$**	**3,595,130**	**$**	**1,356,067**
Non-Current Assets						
Subscription Asset	$	418,707	$	418,707	$	418,707
Accumulated Amortization		(210,054)		(210,054)		(210,054)
Net Subscription Asset (New GASB 96)	**$**	**208,654**	**$**	**208,654**	**$**	**208,654**
Property, Plant & Equipment						
Work in Process	$	8,478,103	$	7,546,789	$	3,306,010
Land		7,123,368		7,123,368		7,123,368
Property Rights		15,237		15,237		15,237
Buildings and Improvements		32,621,275		32,621,275		32,163,478
Vehicles and Equipment		9,431,644		9,431,644		9,375,128
Furniture and Office Equipment		2,086,049		2,086,049		2,086,049
Water System		51,660,914		51,660,914		51,660,914
Sewer System		43,336,819		43,336,819		43,336,819
Subtotal - Property, Plant & Equipment		154,753,410		153,822,096		149,067,004
Accumulated Depreciation		(77,384,978)		(77,075,287)		(75,836,758)
Net Property, Plant & Equipment	**$**	**77,368,432**	**$**	**76,746,809**	**$**	**73,230,246**
DEFERRED OUTFLOWS OF RESOURCES	**$**	**2,432,093**	**$**	**2,432,093**	**$**	**2,432,093**
TOTAL ASSETS & DEFERRED OUTFLOWS	**$**	**96,901,304**	**$**	**95,799,032**	**$**	**92,446,617**

Consolidated Balance Sheet
For the Period Ended November 30, 2025

	Current Month	Prior Month	FYE 2025
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 1,152,840	$ 626,209	$ 1,280,165
Deferred Revenue	251,002	242,912	347,350
Compensated Absences Payable	990,457	1,011,134	957,825
Accrued Liabilities	751,159	746,931	761,713
Current Portion of Long-Term Debt	519,530	519,530	519,530
	3,664,988	3,146,716	3,866,584
Current Liabilities (Payable from Restricted Assets)			
Deferred Grant Revenue	$ 35,000	$ 35,000	$ 35,000
Accounts Payable	-	-	-
Total Current Liabilities	**$ 3,699,988**	**$ 3,181,716**	**$ 3,901,584**
Non-Current Liabilities			
Long-Term Debt, Net of Current Portion	$ (142,007)	$ (142,007)	$ 72,408
Net Pension Liability	(15,886)	(15,886)	(15,886)
Total Long Term Liabilities	**$ (157,893)**	**$ (157,893)**	**$ 56,522**
DEFERRED INFLOWS OF RESOURCES	**$ 321,529**	**$ 321,529**	**$ 321,529**
NET POSITION			
Net Investment in Capital Assets (Net of Debt)	$ 77,199,563	$ 76,577,939	$ 72,846,961
Debt Services	445,936	445,936	445,936
Net Restricted Assets	3,486,975	3,595,130	1,356,067
Unrestricted	7,034,507	7,547,976	8,520,573
Current Year Income / (Loss)	4,870,698	4,286,698	4,997,444
Balance	**$ 93,037,680**	**$ 92,453,680**	**$ 88,166,982**
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCE	**$ 96,901,304**	**$ 95,799,032**	**$ 92,446,617**

NTPUD (consolidated)
Statement of Cash Flows
For the Period Ended November 30, 2025
(In Thousands)

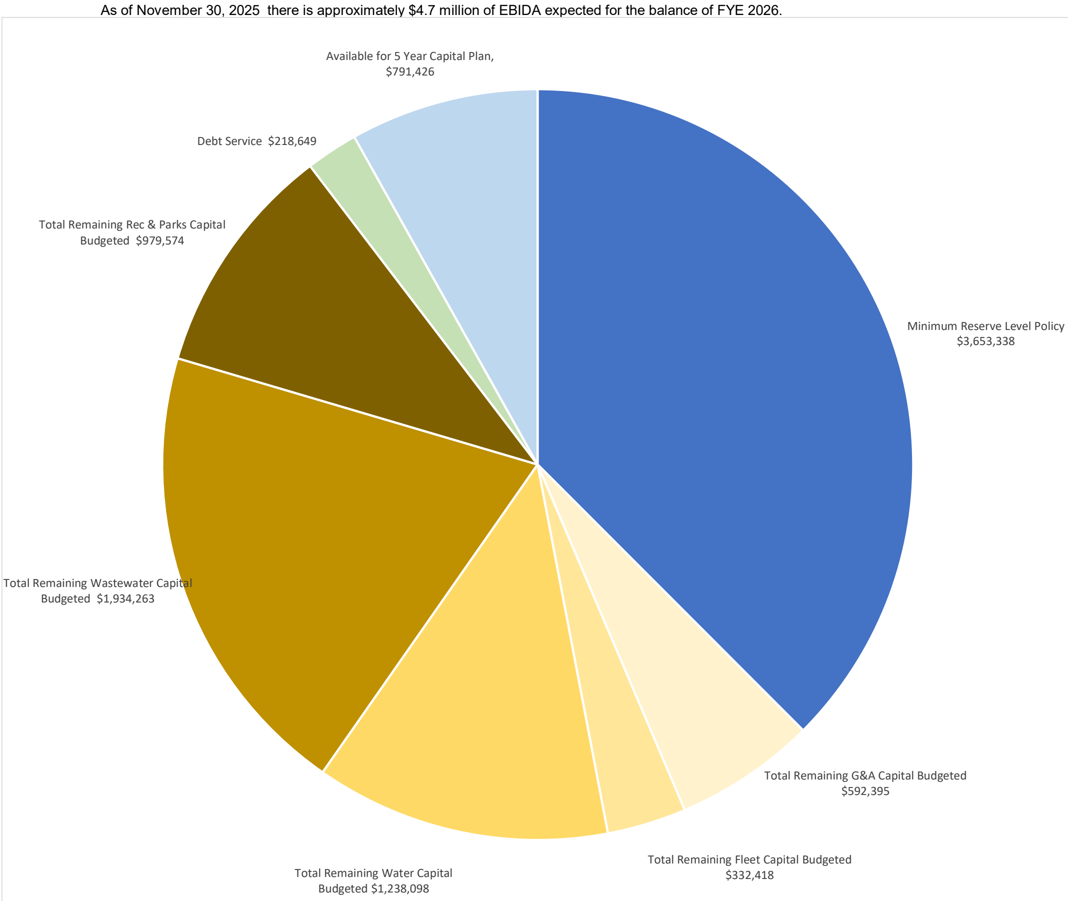
	Current Month	Year-to Date
Operating Activities		
Net Income (Loss)	$583,999	$4,870,699
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	309,690	1,548,219
Net changes in operating assets and liabilities:		
(Increase)/Decrease Account Receivables	(600,519)	(2,890,313)
(Increase)/Decrease Inventories	-	-
(Increase)/Decrease Deposits & Prepaid expenses	53,344	291,790
(Increase)/Decrease Deferred Outflows	-	-
(Decrease)/Increase Payables & Accrued Liabilities	518,272	(201,596)
(Decrease)/Increase Deferred Grant Revenue	-	-
(Decrease)/Increase in Deferred Inflows	-	-
Net Cash Provided (Used) by operating activities	**864,787**	**3,618,798**
Investing Activities		
Change in Restricted Assets	108,155	(2,130,908)
Change in Subscription Assets	-	-
Net Purchases of property, plant and equipment	(931,314)	(5,686,406)
Net Cash Provided (Used) by investing activities	**(823,159)**	**(7,817,314)**
Financing Activities		
Change in Capital Loan	-	(214,415)
Change in Net Pension Liability	-	-
Net Cash Provided (Used) by financing activities	-	(214,415)
Net increase/(decrease) in cash and cash equivalents	**41,628**	**(4,412,931)**
Cash and Equivalents at beginning of period	8,368,038	12,822,598
Cash and Equivalents at end of period	8,409,665	$8,409,667

North Tahoe Public Utility District
As Of 11/30/2025

Total Reserve Funds of $9,740,161 of which $3,653,338 is Restricted as Minimum Reserve

NOTE: *This schedule reflects the Net Assets Available as of a point in time. In particular, it assumes that all the budgeted capital expenditures schedule for FYE 2026 will happen despite only granting consideration for EBIDA through 11/30.*

As of November 30, 2025 there is approximately $4.7 million of EBIDA expected for the balance of FYE 2026.



Changes in Reserves from Prior Month	
Minimum Reserve	$ -
Debt Service	-
Future Capital	997,230
Capital	(926,699)
Total	$ 70,531

Total Remaining Capital Budgeted is in reference to current year budget

Trended by Month
Statement of Revenues and Expenses
For the Period Ended November 30, 2025

	Income Statement	Actual July	Actual August	Actual September	Actual October	Actual November	Budget December	Budget January	Budget February	Budget March	Budget April	Budget May	Budget June	Expected Total	Budgeted Total	Variance
1	**Operations**															
2	Operating Revenue	$ 1,258,289	$ 1,219,425	$ 1,154,621	$ 1,116,121	$ 937,865	$ 970,062	$ 992,117	$ 953,109	$ 962,086	$ 958,127	$ 1,024,912	$ 1,160,155	$ 12,706,889	$ 12,565,187	$ 141,702
3	Internal Revenue	20,625	12,605	12,233	16,021	19,757	19,982	11,358	13,072	19,068	14,942	27,328	20,042	207,033	213,550	(6,517)
4	Total Operating Revenue	$ 1,278,914	$ 1,232,030	$ 1,166,854	$ 1,132,142	$ 957,622	$ 990,044	$ 1,003,475	$ 966,181	$ 981,154	$ 973,069	$ 1,052,240	$ 1,180,197	$ 12,913,922	$ 12,778,737	$ 135,185
5																
6	Salaries and Wages	$ (593,844)	$ (515,869)	$ (531,202)	$ (542,334)	$ (463,246)	$ (555,180)	$ (496,617)	$ (487,266)	$ (544,318)	$ (541,289)	$ (513,281)	$ (537,635)	$ (6,322,081)	$ (6,460,771)	$ 138,690
7	Employee Benefits	(240,608)	(230,129)	(258,228)	(233,387)	(225,097)	(279,789)	(274,075)	(266,141)	(276,932)	(276,932)	(271,219)	(279,154)	(3,111,691)	(3,260,331)	148,640
8	Outside Services/Contractual	(162,395)	(116,424)	(152,164)	(132,960)	(143,106)	(115,988)	(132,756)	(159,397)	(137,863)	(134,487)	(142,402)	(34,527)	(1,564,469)	(1,622,828)	58,359
9	Utilities	(94,543)	(70,859)	(70,356)	(67,069)	(76,426)	(75,332)	(101,193)	(72,522)	(76,152)	(73,542)	(75,962)	(81,112)	(935,068)	(957,646)	22,578
10	Other Operating Expenses	(153,182)	(106,219)	(126,851)	(143,360)	(85,772)	(138,390)	(116,442)	(81,927)	(136,091)	(121,564)	(136,954)	(107,228)	(1,453,980)	(1,754,083)	300,103
11	Insurance	(41,236)	(41,236)	(42,919)	(41,236)	(41,236)	(41,164)	(41,164)	(41,164)	(41,164)	(50,297)	(50,297)	(50,297)	(523,410)	(521,363)	(2,047)
12	Internal Expense	(20,625)	(12,605)	(12,233)	(16,021)	(19,757)	(19,982)	(11,358)	(13,072)	(19,068)	(14,942)	(27,328)	(20,042)	(207,033)	(213,550)	6,517
13	Debt Service	(1,426)	(1,426)	(720)	(720)	(720)	(720)	(720)	-	-	-	-	(20,000)	(26,452)	(25,744)	(708)
14	Depreciation	(309,083)	(309,083)	(309,083)	(311,281)	(309,690)	(334,728)	(359,159)	(360,964)	(360,964)	(360,964)	(360,964)	(500,648)	(4,186,611)	(4,309,313)	122,702
15	Total Operating Expense	$ (1,616,942)	$ (1,403,850)	$ (1,503,756)	$ (1,488,368)	$ (1,365,050)	$ (1,561,273)	$ (1,533,484)	$ (1,482,453)	$ (1,592,552)	$ (1,574,017)	$ (1,578,407)	$ (1,630,643)	$ (18,330,795)	$ (19,125,629)	$ 794,834
16																
17	Operating Income(Loss)	$ (338,028)	$ (171,820)	$ (336,902)	$ (356,226)	$ (407,428)	$ (571,229)	$ (530,009)	$ (516,272)	$ (611,398)	$ (600,948)	$ (526,167)	$ (450,446)	$ (5,416,873)	$ (6,346,892)	$ 930,019
18																
19	Non-Operations															
20	Property Tax Revenue	$ 625,000	$ 625,000	$ 625,000	$ 625,000	$ 625,000	$ 625,000	$ 625,000	$ 625,000	$ 625,000	$ 625,000	$ 625,000	$ 625,000	$ 7,500,000	$ 7,500,000	$ -
21	Community Facilities District (CFD 94-1)	59,544	59,544	59,544	59,544	59,544	60,833	60,833	60,833	60,833	60,833	60,833	60,837	723,555	730,000	(6,445)
22	Grant Revenue	-	918,197	1,190,676	552,853	294,359	1,275,500	-	-	-	-	-	-	4,231,585	3,675,250	556,335
23	Interest	34,470	28,633	25,228	20,713	18,106	20,000	20,000	20,000	10,000	10,000	10,000	10,000	227,150	200,000	27,150
24	Other Non-Op Revenue	7,900	8,042	10,305	8,326	8,500	8,151	8,151	8,151	8,151	8,151	8,151	8,151	100,130	97,448	2,682
25	Capital Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Other Non-Op Expenses	(9,874)	(20,700)	(11,991)	(11,284)	(14,082)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(298,333)	(416,262)	(390,000)	(26,262)
27	Income(Loss)	$ 379,012	$ 1,446,896	$ 1,561,860	$ 898,926	$ 583,999	$ 1,409,922	$ 175,642	$ 189,379	$ 84,253	$ 94,703	$ 169,484	$ (44,791)	$ 6,949,285	$ 5,465,806	$ 1,483,479
28																
29	Additional Funding Sources															
30	Allocation of Non-Operating Revenue	-	-	-	-	-	-	-	-	-	-	-	-	$ -	$ -	$ -
31	Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Balance	$ 379,012	$ 1,446,896	$ 1,561,860	$ 898,926	$ 583,999	$ 1,409,922	$ 175,642	$ 189,379	$ 84,253	$ 94,703	$ 169,484	$ (44,791)	$ 6,949,285	$ 5,465,806	$ 1,483,479

Operating Income	$ (338,028)	$ (171,820)	$ (336,902)	$ (356,226)	$ (407,428)	$ (571,229)	$ (530,009)	$ (516,272)	$ (611,398)	$ (600,948)	$ (526,167)	$ (450,446)	$ (5,416,873)	$ (6,346,892)	$ 930,019
Net Income(Loss)	$ 379,012	$ 1,446,896	$ 1,561,860	$ 898,926	$ 583,999	$ 1,409,922	$ 175,642	$ 189,379	$ 84,253	$ 94,703	$ 169,484	$ (44,791)	$ 6,949,285	$ 5,465,806	$ 1,483,479
Earnings Before Interest, Depreciation & Amortization	$ 689,521	$ 1,757,405	$ 1,871,663	$ 1,210,927	$ 894,409	$ 1,745,370	$ 535,521	$ 550,343	$ 445,217	$ 455,667	$ 530,448	$ 475,857	$ 11,162,348	$ 9,800,863	$ 1,361,485
Operating Ratio	126%	114%	129%	131%	143%	158%	153%	153%	162%	162%	150%	138%	142%	150%	-588%
Operating Ratio - plus Tax & CFD	82%	73%	81%	82%	83%	93%	91%	90%	96%	95%	91%	87%	87%	91%	-617%
Debt Service Coverage Ratio	265.79	1,014.65	2,169.25	1,248.51	811.11	1,958.23	243.95					(2.24)	262.71	212.31	2,095.31

PUBLIC UTILITY DISTRICT

Consolidated Balance Sheet
For the Period Ended November 30, 2025

Division Balance Sheet
For the Period Ended November 30, 2025

	Wastewater	Water	Recreation & Parks	Fleet & Equipment	General & Administrative and Base	Total
ASSETS						
Current Assets						
Cash & Cash Equivalents	$ -	$ 222,968	$ 2,497	$ -	$ 7,984,734	$ 8,210,199
Investments	-	-	-	-	199,468	199,468
Due (To)/From Other Fund	2,006,293	135,970	(549,863)	394,120	(1,986,521)	-
Accounts Receivable	79,288	145,057	385,646	-	3,878,405	4,488,397
Inventory	239,897	-	-	-	-	239,897
Deposits and Prepaid Expenses	-	-	52,603	-	214,587	267,190
Total Current Assets	**$ 2,325,479**	**$ 503,996**	**$ (109,118)**	**$ 394,120**	**$ 10,290,672**	**$ 13,405,150**
Restricted Assets						
Cash & Cash Equivalents	$ -	$ -	$ -	$ -	$ 483,185	$ 483,185
Accounts Receivable	-	1,306,854	1,689,337	-	7,600	3,003,791
Deposits and Prepaid Expenses	-	-	-	-	-	-
Total Restricted Assets	**$ -**	**$ 1,306,854**	**$ 1,689,337**	**$ -**	**$ 490,785**	**$ 3,486,975**
Non-Current Assets						
Subscription Asset	$ -	$ -	$ -	$ -	$ 418,707	$ 418,707
Accumulated Amortization	-	-	-	-	(210,054)	(210,054)
Net Subscription Asset (New GASB 96)	**$ -**	**$ -**	**$ -**	**$ -**	**$ 208,654**	**$ 208,654**
Property, Plant & Equipment						
Work in Process	$ 489,657	$ 4,266,065	$ 3,518,095	$ 12,066	$ 192,221	$ 8,478,103
Land	86,310	772,058	6,265,000	-	-	7,123,368
Property Rights	7,237	8,000	-	-	-	15,237
Buildings and Improvements	8,281,806	-	23,815,713	-	523,756	32,621,275
Vehicles and Equipment	5,806,355	285,750	817,577	2,521,961	-	9,431,644
Furniture and Office Equipment	925,994	35,919	890,500	-	233,637	2,086,049
Water System	-	51,660,914	-	-	-	51,660,914
Sewer System	43,336,819	-	-	-	-	43,336,819
Subtotal - Property, Plant & Equipment	58,934,178	57,028,706	35,306,885	2,534,028	949,614	154,753,410
Accumulated Depreciation	(36,581,439)	(24,500,629)	(15,051,889)	(1,094,521)	(156,499)	(77,384,978)
Net Property, Plant & Equipment	**$ 22,352,738**	**$ 32,528,077**	**$ 20,254,996**	**$ 1,439,506**	**$ 793,114**	**$ 77,368,432**
DEFERRED OUTFLOWS OF RESOURCES	**$ 238,495**	**$ 496,652**	**$ 407,214**	**$ 31,263**	**$ 1,258,469**	**$ 2,432,093**
TOTAL ASSETS & DEFERRED OUTFLOWS	**$ 24,916,712**	**$ 34,835,579**	**$ 22,242,429**	**$ 1,864,890**	**$ 13,041,695**	**$ 96,901,304**

Consolidated Balance Sheet
For the Period Ended November 30, 2025

Division Balance Sheet
For the Period Ended November 30, 2025

	Wastewater	Water	Recreation & Parks	Fleet & Equipment	General & Administrative and Base	Total
LIABILITIES						
Current Liabilities						
Accounts Payable	$ 52,841	$ 839,892	$ 281,845	$ 12,971	$ (34,708)	$ 1,152,840
Deferred Revenue	-	-	251,002	-	-	251,002
Compensated Absences Payable	-	-	-	-	990,457	990,457
Accrued Liabilities	-	3,585	3,000	-	744,574	751,159
Current Portion of Long-Term Debt	-	218,649	-	-	86,466	305,115
	52,841	1,062,126	535,847	12,971	1,786,789	3,450,573
Current Liabilities (Payable from Restricted Assets)						
Deferred Grant Revenue	$ -	$ -	$ 35,000	$ -	$ -	$ 35,000
Accounts Payable	-	-	-	-	-	-
Total Current Liabilities	**$ 52,841**	**$ 1,062,126**	**$ 570,847**	**$ 12,971**	**$ 1,786,789**	**$ 3,485,573**
Non-Current Liabilities						
Long-Term Debt, Net of Current Portion	$ -	-	$ -	$ -	$ 72,408	$ 72,408
Net Pension Liability	(154,445)	1,169	(31,141)	(22,127)	190,658	(15,886)
Total Long Term Liabilities	**$ (154,445)**	**$ 1,169**	**$ (31,141)**	**$ (22,127)**	**$ 263,066**	**$ 56,522**
DEFERRED INFLOWS OF RESOURCES	**$ 76,216**	**$ 72,438**	**$ 64,383**	**$ 12,136**	**$ 96,356**	**$ 321,529**
NET POSITION						
Net Investment in Capital Assets (Net of Debt)	$ 22,352,738	$ 32,309,428	$ 20,254,996	$ 1,439,506	$ 842,894	$ 77,199,563
Debt Services	-	445,936	-	-	-	445,936
Net Restricted Assets	-	1,306,854	1,689,337	-	490,785	3,486,975
Unrestricted	2,782,389	(2,556,394)	(2,279,125)	319,022	8,768,616	7,034,507
Current Year Income / (Loss)	(193,027)	2,194,023	1,973,133	103,382	793,188	4,870,698
Balance	**$ 24,942,100**	**$ 33,699,846**	**$ 21,638,340**	**$ 1,861,910**	**$ 10,895,483**	**$ 93,037,680**
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCE	**$ 24,916,712**	**$ 34,835,579**	**$ 22,242,429**	**$ 1,864,890**	**$ 13,041,695**	**$ 96,901,304**

Grant Revenue

Account Number		Description	Budget	1 July	2 August	3 September	4 October	5 November	6 December		YTD Total	Over(Under) Total Budget for Project
31-5030-3435		Water	1,622,750	-	-	1,186,000	-	-	436,750		1,186,000	
43-4300-3435		Recreation	330,000	-	-	227,500	-	-	102,500		227,500	
43-4310-3435		NTRP	1,722,500	-	-	986,250	-	-	736,250		986,250	
43-4600-3435		TVRA	-	-	-	-	-	-	-		-	
51-5100-3435		NTEC	-	-	-	-	-	-	-		-	
2192 -	FEMA	FEMA Emergency Generator NTEC		-	-	17,426	-	-	-		17,426	17,570
2192 -	GMGT	FEMA Emergency Generator NTEC		-	-	144	-	-	-		144	46,639
2486 -	PTOT	Community Arts Gathering Space/Pickleball Plaza		-	46,495	-	-	-	-		46,495	46,495
2580 -	TBID	Secline Beach Enhancement TBID Grant		-	13,676	(6,118)	1,740	-	-		9,298	9,298
2484 -	PLAC	NTRP Multi Purpose Trail Ext - Placer TOT DESIGN		-	-	-	-	-	-		-	-
2484 -	PLA2	NTRP Multi Purpose Trail Ext - Placer TOT CONSTRUCTION		-	-	-	472,500	-	-		472,500	472,500
2484 -	HCFG	NTRP Multi Purpose Trail Ext - State of CA HCFG		-	198,765	775,127	36,465	-	-		1,010,357	1,010,357
2465 -	EPAG	2025 Waterline Replacement - EPA Grant		-	544,864	351,600	-	184,576	-		1,081,040	1,081,040
2562 -	WEEG	SmartMetering Infrastructure Improvements		-	114,397	44,850	30,664	26,190	-		216,101	216,101
				-	-	-	-	-	-		-	-
		Over(Under) Budget	(3,675,250)	-	918,197	(1,216,721)	541,369	210,766	(1,275,500)	-	681,111	
Unbudgeted											-	
			-	-	-	-	-	-	-		-	-
2040 -	0PLC	Wayfinding and Destination Signage	-	-	-	-	-	83,593	-		83,593	83,593
2663 -	PCWA	Water System Consolidation	-	-	-	-	-	-	-		-	-
2664 -	PCWA	Zone 1 and Zone 2 PRV	-	-	-	-	-	-	-		-	-
2580 -	CTCG	Secline Beach - California Conservancy	-	-	-	7,648	12,161	-	-		19,809	19,809
1623 -	GRNT	Wayfinding Signage - Correcting Entry Closed	-	-	-	-	(677)	-	-		(677)	(677)
-			-	-	-	-	-	-	-		-	-
-			-	-	-	-	-	-	-		-	-
		Over(Under) Budget	-	-	-	7,648	11,484	83,593	-		102,725	
Total Budgeted Grant Revenue			3,675,250	-	-	2,399,750	-	-	1,275,500	-	2,399,750	
Total Grant Revenue Recognized				-	918,197	1,190,676	552,853	294,359	-		2,956,086	
Over(Under) Planned Grant Revenue				-	918,197	(1,209,074)	552,853	294,359	(1,275,500)		556,336	

Grant Schedule

PM #	Grantor	Name of Grant	Match	Tems	Grant Award	7/1/2025 Remaining Award Amount	6/30/2025 Receivable / (Liability)	FY26 New Grant Award	FY26 Grant Revenue (Recognition)	FY26 Award Receipts (Payments)	FY26 Corrections	6/30/2026 Receivable / (Liability)	Project Closure - Award Release	6/30/2026 Remaining Award Amount
2040-0PLC	Placer County	Wayfinding and Destination Signage	$ 12,000.00	Placer Co TOT Funds	$ 136,141.00	$ 128,034.97	$ -		$ 83,592.95			$ 83,592.95	$ (44,442.02)	$ -
2192-FEMA	FEMA	NTEC Emergency Generator Mitigation	$ 115,138.25	Hazard Mitigation Program	$ 345,414.75	$ 142,888.97	$ 147,423.43		$ 17,425.92	$ 135,212.59		$ 29,636.76		$ 125,463.05
2192-MGMT	FEMA	NTEC Emergency Generator Mitigation	none	Hazard Mitigation Program	$ 15,000.00	$ 13,031.00	$ 483.00		$ 144.00	$ 483.00		$ 144.00		$ 12,887.00
2465-EPAG	EPA	2025 Waterline Improvements (Trout)	$ 312,500.00	EPA	$ 1,250,000.00	$ 1,081,040.00	$ 168,960.00		$ 1,081,040.00			$ 1,250,000.00		$ -
2484-HCFG	State Of CA HCF	North Tahoe Trail Access Improvement	$ 1,029,005.00	Habitat Conservation Fund	$ 1,029,005.00	$ 1,010,357.13	$ 18,647.87		$ 1,010,357.14			$ 1,029,005.01		$ (0.01)
2484-PLA2	Placer County	NTRP Multi Purpose Trail Connections	$ 1,610,835.00	Placer Co TOT Funds/NTCOAB	$ 472,500.00	$ 472,500.00	$ -		$ 472,500.00			$ 472,500.00		$ -
2486-PTOT	Placer County	Pickleball Plaza/Community Arts Space	$ 154,817.00	Placer Co TOT Funds/NTCOAB	$ 250,000.00	$ 46,494.82	$ 203,505.18		$ 46,494.82	$ 203,505.18		$ 46,494.82		$ 0.00
2486-TAHF	Tahoe Fund	Pickleball Plaza/Community Arts Space	$ -	Tahoe Fund	$ 36,000.00	$ 36,000.00	$ -					$ -		$ 36,000.00
2562-WEEG	Bureau of Rec	WaterSmart Grants Bureau of Reclaimation	$ 1,140,081.00	Dept of Interior/B of Rec	$ 500,000.00	$ 256,733.65	$ 243,266.35		$ 216,101.10	$ 402,513.90		$ 56,853.55		$ 40,632.55
2580-TBID	NLTRA, North Tahoe Comn	Secline Beach Enhancement Project	60000 - over 3 yea	TBID Funds	$ 240,000.00	$ 168,031.60	$ 37,123.00		$ 9,298.00	$ 37,123.00		$ 9,298.00		$ 158,733.60
2580-CTCG	California Conservancy	Secline Beach Enhancement Project		CTC Funds	$ 90,000.00	$ 90,000.00	$ -		$ 19,808.75			$ 19,808.75		$ 70,191.25
2663-PCWA	Placer Co Water Agency	NTPUD, AB and FW System Consolidation	$ -	PCWA FAP Award	$ 75,000.00	$ 75,000.00	$ -					$ -		$ 75,000.00
2664-PCWA	Placer Co Water Agency	Tahoe Main System Zone 1/2 PRV	$ -	PCWA FAP Award	$ 50,000.00	$ 50,000.00	$ -					$ -		$ 50,000.00
2680-PLAC	Placer County	NTRP Multi Purpose Trail Connections	$ 125,000.00	Placer Co TOT Funds/NTCOAB	$ 491,361.50	$ 491,361.50	$ -					$ -		$ 491,361.50
						$ -	$ -					$ -		$ -
2279-0000	STPUD Pass Thru	Prop 1			$ 6,242.37	$ 6,242.37	$ (1,143.63)					$ (1,143.63)		$ 6,242.37
Completed														
1623-0000/GRNT	NLTRA	Wayfinding Signage			$ 135,000.00	$ 8,042.42	$ 47,016.56		$ (676.99)	$ 46,339.57		$ -	$ (8,719.41)	$ -
2484-PLAC	Placer County	NTRP Multi Purpose Trail Connections	$ 25,000.00	Placer Co TOT Funds/NTCOAB	$ 108,638.50	$ -	$ 0.00					$ 0.00		$ -
Closed/on FA														
Pass Through														
					$ 5,230,303.12	$ 4,075,758.43	$ 865,281.76	$ -	$ 2,956,085.69	$ 825,177.24	$ -	$ 2,996,190.21		$ 1,066,511.31

NORTH TAHOE
PUBLIC UTILITY DISTRICT

DATE: January 13, 2026 **ITEM:** H-3b

FROM: Finance Department

SUBJECT: Treasurer's Report – as of November 30, 2025

FISCAL ANALYSIS:

The CFO has reviewed the District's investment portfolio, and its value is reflected in the attached Treasurer's Report.

The District's investments remain in compliance with the Board-approved Investment Policy, with an ongoing emphasis on safety.

As of November 30, 2025, the total bank value of cash and investments was $9,026,773. Of this amount, $1,392,893 was restricted. Cash and investments decreased by $41,618 during November.

The portfolio meets the guidelines of the Investment policy.

ATTACHMENTS: Treasurer's Report as of November 30, 2025.

REVIEW TRACKING:

Submitted By: ______________________
Patrick Grimes
Chief Financial Officer

Approved By: ______________________
Bradley A. Johnson, P.E.
General Manager/CEO

AGENDA ITEM: Treasurer's Report as of November 30, 2025 1/13/2026

PRESENTED BY: Patrick Grimes, CFO

Cash and Investments

Statement Date	Institution/Account Number	Market Value	Description
	Wells Fargo		
11/30/25	xxxxxx7997	1,725,173	General Checking
	xxxxxx8011	-	Payroll
	xxxxxx8003	-	Utility Billing Deposit Account
	xxxxxx8029	-	Event Center Deposit Account
		1,725,173	Total Wells Fargo
	Local Agency Investment Fund		
11/30/25	xx-xx-003	42,599	General Investment Acctount
	California CLASS		
11/30/25	xx-xx-0179	5,385,739	General Investment Acctount
	UBS Financial Services Inc.		
11/30/25	xxxxx29 70	2,906	Cash & Cash Alternatives Balance
	"	0	Money Market Instruments
	"	202,675	Certificates of Deposit
	"	24,331	Mutual Funds
	"	249,338	U.S. Government Securities
	"	1,119	Accrued Interest
		480,369	Total UBS Financial Services Inc.
Total Unrestricted Cash and Investments:		**$7,633,880**	

Restricted

Statement Date	Institution/Account Number	Market Value	Description
	Wells Fargo		
11/30/25	xxxxxx8037	$33,995	FSA
11/30/25	xxxxxx8045	596,560	HRA
11/30/25	xxxxx1157	222,968	NTBC - BofA Install.Payment Fund
09/30/25	**CalPERS 115 Trust**	499,677	CalPERS Prefunding of Pension Expense
09/30/25	**Tahoe Truckee Community Foundation**	39,693	Friends of the Park
Total Restricted Cash and Investments:		**$1,392,893**	

Total Cash and Investments:

Total Cash and Investments:	**$9,026,773**

NORTH TAHOE
PUBLIC UTILITY DISTRICT

DATE: January 13, 2026 **ITEM:** G-1

FROM: Finance Department

SUBJECT: Review, Discuss, and Possibly Accept the Annual Independent Audit Report of Financial Statements for Fiscal Year 2025 with Presentation by Erica Pastor, Audit Partner, of MUN CPAs

RECOMMENDATION:

The Board review, discuss, and accept the annual independent audit report of financial statements for Fiscal Year 2025

DISCUSSION:

The District's Auditor, MUN CPAs, has completed its audit of the District's Fiscal year 2025 financial report and have issued an unmodified report.

MUN CPAs' scope of work included various responsibilities in connection with the audit requirement, including appropriations limit and internal controls testing. The results of which will be discussed during the presentation from our Auditor Principle, Erica Pastor, and may be reviewed in the attachments.

ATTACHMENTS:

- Independent Auditor's Report for Fiscal Year 2025
- Governance Letter
- Management Report
- Appropriations Limit Schedule for Fiscal Year 2025
- MUN Engagement Partner Presentation

MOTION: Approve Staff Recommendation

REVIEW TRACKING:

Submitted By: ______________________
Patrick Grimes
Chief Financial Officer

Approved By: ______________________
Bradley A. Johnson, P.E.
General Manager/CEO

NORTH TAHOE PUBLIC UTILITY DISTRICT

**ANNUAL FINANCIAL REPORT
WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2025**

**MUN CPAs, LLP
1760 CREEKSIDE OAKS DRIVE, SUITE 160
SACRAMENTO, CALIFORNIA 95833**

NORTH TAHOE PUBLIC UTILITY DISTRICT
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JUNE 30, 2025 AND 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
North Tahoe Public Utility District
Tahoe Vista, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of North Tahoe Public Utility District (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of North Tahoe Public Utility District as of June 30, 2025, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, during the fiscal year ending June 30, 2025, the District adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedules related to the District's net pension liability as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule 1 - comparison of budget to actual in Schedule 1 and the accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2026, on our consideration of North Tahoe Public Utility District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of North Tahoe Public Utility District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Tahoe Public Utility District’s internal control over financial reporting and compliance.

[illegible] CPAs, LLP

Sacramento, California
January 9, 2026

NORTH TAHOE PUBLIC UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

As management of the North Tahoe Public Utility District (NTPUD or the District), we offer readers of NTPUD's financial statements this narrative overview and analysis of NTPUD's financial performance during the fiscal year ended June 30, 2025. Please read it in conjunction with NTPUD's financial statements, which follow this section.

The annual report includes the management's discussion and analysis report, the independent auditor's report and the basic financial statements of the District. The financial statements also include notes that explain in more detail some of the information in the financial statements.

FINANCIAL HIGHLIGHTS - BUSINESS-TYPE ACTIVITIES:

The District's Current Assets increased by $2,268,570 from $14,299,458 to $16,568,028 primarily due to an increase in cash balances offset partially by a decrease in investments. Restricted Assets remained unchanged at $6,000. Noncurrent Investments decreased by $190,047 to $0. Capital Assets net of Accumulated Depreciation increased by $2,856,230, from $70,582,668 to $73,438,898 with help from grant-funded construction projects. Deferred Pension Outflows increased $292,727 from $2,139,366 to $2,432,093. The District's Total Assets and Deferred Outflows increased by $5,227,480, primarily related to $4,992,441 of net income.

The District's Current Liabilities (Unrestricted) increased by $1,216,406 from $2,688,581 to $3,904,987 primarily due to an increase in accounts payable. Noncurrent Liabilities from long term debt decreased by $1,219,057 from $1,275,582 to $56,525 primarily due to principal payments on long-term debt and a reduction in the net pension liability. Deferred Pension Inflows increased $237,690 from $83,839 to $321,529.

The District's Net Investment in Capital Assets increased by $2,439,913, reflecting capital additions net of depreciation and related debt payments. The amount of net position that is restricted for Other increased by $420,000 due to a Supplemental Environmental Project. The amount restricted for debt service remained unchanged. Unrestricted net position increased $2,094,142 from $12,904,195 to $14,998,337. The District's total Net Position increased by $4,992,441 from $83,169,537 to $88,161,978.

The District's Operating Revenues increased by $1,504,325 from $11,048,537 to $12,552,862. Total Operating Expenses increased by $1,449,412 from $16,780,628 to $18,230,037. Property Tax revenue/CFD 94-1 increased by $341,412 from $8,011,635 to $8,353,047. Investment income increased by $167,066 from $285,690 to $452,756. Grant Revenue increased by $165,748 from $1,537,957 to $1,703,705.

FINANCIAL HIGHLIGHTS - SEWER FUND:

Current Assets (not restricted) decreased by $815,690 from $3,157,540 to $2,341,850. Capital Assets net of Accumulated Depreciation decreased by $786,794 from $23,547,720 to $22,760,926. The Net Pension Asset increased $160,718 from a liability of $6,273 to $154,445. Deferred pension Outflows of Resources increased by $68,185 from $170,311 to $238,496.

Current Liabilities (Payable from Current Assets) increased by $28,536 from $255,838 to $284,374. Deferred Pension Inflows increased by $55,364 from $20,852 to $76,216. Investment in Net Capital Assets decreased $887,730 from $23,524,855 to $22,637,125. The amount of Unrestricted Net Position decreased by $569,751 from $3,067,753 to $2,498,002. Total Net Position decreased by $1,457,481 from $26,592,608 to $25,135,127.

Operating Revenues increased by $524,722 from $4,507,130 to $5,031,852. Total Operating Expenses increased by $2,664,074 from $3,712,356 to $6,376,430 due primarily to an allocation of internal service funds. Property Tax Revenue allocation increased from $0 to $211,741. Miscellaneous revenue increased $77,176 from prior year due to more proceeds from salvage sale. Interfund transfers of $420,000 were made from the Sewer Fund to the Recreation Fund related to the Supplemental Environmental Project.

FINANCIAL HIGHLIGHTS - WATER FUND:

Current Assets increased by $19,041 from $1,995,267 to $2,014,308. Capital Assets net of Accumulated Depreciation increased by $2,790,800 from $27,454,069 to $30,244,869. Deferred Pension Outflows increased by $48,406 from $ 448,246 to $496,452.

Current Liabilities (Payable from Current Assets) increased by $575,135 from $601,264 to $1,176,399. The Long-term debt portion of Noncurrent Liabilities decreased by $433,064 from $433,064 to $0, which is the result of the annual principal payments on the debt. The Net Pension Liability portion of Noncurrent Liabilities decreased by $114,100 from $115,269 to $1,169. The Deferred Pension Inflows increased $39,305 from $33,133 to $72,438. Investments in Net Capital Assets increased $2,643,346 from $26,604,553 to $29,247,899. The amount of Net Position that is Unrestricted increased by $147,625 from $1,664,363 to $1,811,988. Total Net Position increased by $2,790,971 bringing the balance from $28,714,852 to $31,505,823.

Operating Revenues increased $732,683 from $4,519,131 to $5,251,814. Total Operating Expenses increased by $1,840,485 from $4,118,915 to $5,959,400 due primarily to an allocation of internal service funds. Property Tax Revenue Allocation increased from zero to $2,321,640. Grant Revenue increased $728,516 from $470,207 to $1,198,723.

FINANCIAL HIGHLIGHTS - RECREATION FUND:

Current Assets increased by $866,242 from $1,285,582 to $2,151,824. Capital Assets net of Accumulated Depreciation increased by $301,704 from $17,704,226 to $18,005,930. Deferred Pension Outflows of Resources increased by $59,737 from $347,477 to $407,214.

Current Liabilities (Payable from Current Assets) increased by $421,598 from $449,922 to $871,520. The Net Pension Asset increased $140,809 from a liability of $109,669 to $31,140. Deferred Inflows of Resources from Pension increased by $48,506 from $15,877 to $64,383. Investment in Net Capital Assets increased $27,426 from $17,640,066 to $17,667,492. The amount of Net Position that is Restricted for Other increased by $420,000 due to the Supplemental Environmental Project. The amount of Net Position that is Unrestricted increased by $450,962 from $1,121,751 to $1,572,713. The Total Net Position increased by $898,388 from $18,761,817 to $19,660,205.

Recreation Events and Program Revenues increased $62,513 from $1,412,546 to $1,475,059. Total Operating Expenses increased by $1,879,386 from $3,024,688 to $4,904,074 due primarily to an allocation of internal service funds. The Recreation assessment, called Community Facilities District 94-1 (CFD 94-1), brought in $3,396,273 an increase of $1,675,725. Grant revenue decreased by $562,768 from $1,067,750 to $504,982. Miscellaneous revenue decreased $348,751 from $359,700 to $10,949. The Recreation Fund received $420,000 in transfers from the Sewer Fund related to the Supplemental Environmental Project.

FINANCIAL HIGHLIGHTS – INTERNAL SERVICES FUND (FLEET & GENERAL & ADMINISTRATION FUNDS):

Current Assets increased by $2,008,930 from $8,051,116 to $10,060,046. Noncurrent Investments decreased by $190,047 from $190,047 to $0. Capital Assets net of Accumulated Depreciation increased by $550,520 from $1,876,653 to $2,427,173. Deferred Pension Outflows of Resources increased by $116,399 from $1,173,332 to $1,289,731.

Current Liabilities (Payable from Current Assets) increased by $213,786 from $1,381,557 to $1,572,694. Net Pension Liability portion of Noncurrent Liabilities decreased by $274,370 from $442,903 to $168,533. Deferred Pension Inflows increased $94,515 from $13,977 to $108,492. Investment in Capital Assets increased $656,871 from $1,599,133 to $2,256,004. The amount restricted for Section 115 Trust increased by $38,386 from $444,799 to $483,185. The amount of Net Position that is Unrestricted increased by $2,065,306 from $7,050,238 to $9,115,634. Total Net Position increased by $2,760,563 bringing the balance to $11,860,823.

Total Operating Revenue increased by $184,407 from $609,730 to $794,137. Total Operating Expenses decreased by $4,934,536 from $5,924,669 to $990,133 due to an allocation of internal service funds. Property Tax Revenue decreased $3,867,694 from $6,291,087 to $2,423,393. Investment Income increased $167,042 from $283,289 to $450,331.

DUE (TO)/FROM ENTERPRISE:

The amounts due (to) or from other enterprises are as follows at June 30, 2025:

	Sewer	Water	Recreation & Parks	Total Enterprise Funds	Internal Service Funds
Due (To)/From Other Fund	$ (420,000)	$ -	$ 420,000	$ -	$ -

REQUIRED FINANCIAL STATEMENTS:

The financial statements of the District report information of the District using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The Statement of Net Position includes all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All current year's revenues and expenses are accounted for in the statement of revenues, expenses, and changes in net position. This statement measures the success of the District's operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

The final required financial statement is the statement of cash flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

FINANCIAL ANALYSIS OF THE DISTRICT:

The most common financial question posed to the District is "How did we do financially during 2024/2025?" The statement of net position and the statement of revenues, expenses and changes in net position report information about the District's activities in a way that will help answer this question. These two statements report the net assets of the District and the changes in them. One can think of the District's Net Position – the difference between assets, deferred outflows, liabilities and deferred inflows – as one way to measure financial health or financial position. Over time, increases or decreases in the District's Net Position is one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other nonfinancial factors such as changes in economic conditions, population growth, and new or changed government legislation.

NET POSITION:

To begin our analysis, a summary of the District's Net Position is presented in Table A-1.

Table A-1
Condensed statement of net position

	June 30, 2025	June 30, 2024
Current assets	$ 16,568,028	$ 14,299,458
Restricted assets	6,000	6,000
Investments - noncurrent portion	-	190,047
Net capital assets	73,438,898	70,582,668
Deferred pension outflows	2,432,093	2,139,366
Total assets and deferred outflows of resources	92,445,019	87,217,539
Current liabilities	3,904,987	2,688,581
Long term debt, less current portion (Note 5)	72,408	601,468
Net pension liability (asset)	(15,883)	674,114
Deferred pension inflows	321,529	83,839
Total liabilities and deferred inflows of resources	4,283,041	4,048,002
Net investment in capital assets	71,808,520	69,368,607
Other restricted	426,000	6,000
Restricted for Section 115 Trust	483,185	444,799
Restricted for debt service	445,936	445,936
Unrestricted (designated for Board reserves)	3,476,074	3,260,071
Unrestricted (undesignated)	11,522,263	9,644,124
Total net position	$ 88,161,978	$ 83,169,537

As can be seen from the table above, net position grew by $4,992,441 from $83,169,537 to $88,161,978. Net position increased primarily from the amounts invested in Capital Assets of $3,391,327. Unrestricted (Designated for Board Reserves) increased $216,003 from $3,260,071 to $3,476,074. Unrestricted (Undesignated) balance increased by $1,878,139 from $9,644,124 to $11,522,263.

REVENUES, EXPENSES AND CHANGES IN NET POSITION:

Table A-2
Condensed statement of revenues, expenses and changes in net position

	June 30, 2025	June 30, 2024
Operating revenues	$ 12,552,862	$ 11,048,537
Operating expenses	18,230,037	16,780,628
Net operating income (loss)	(5,677,175)	(5,732,091)
Property tax revenues	8,353,047	8,011,635
Other non-operating revenues and expenses	2,316,569	2,185,056
Non-operating revenues and expenses	10,669,616	10,196,691
Change in net position	4,992,441	4,464,600
Net position, beginning of year	83,169,537	78,704,937
Total net position, ending of year	$ 88,161,978	$ 83,169,537

While the statement of net position shows the change in financial position of net assets, the statement of revenues, expenses and changes in net position provides answers as to the nature and source of these changes. As can be seen in Table A2 above, the combined revenues from each of the revenue categories exceeded the expenses in each year, increasing net position. The increase in Net Position of $4,992,441 was $527,841 more than the $4,464,600 for prior year. The increase was mainly due to more grant revenue and property tax revenue over prior year.

BUDGETARY HIGHLIGHTS:

The District adopts an annual Operating Budget. The Operating Budget includes proposed expenses and the means of financing them. The District's operating budget includes the original budget and all budget adjustments approved during the year.

A fiscal year 2024/25 budget comparison and analysis is presented in Table A-3.

Table A-3
Budgeted Summary

	Budget	Actual	Positive (Negative) Variance
Operating revenues	$ 11,717,208	$ 12,552,862	$ 835,654
Operating expenses	(18,095,522)	(18,230,037)	(134,515)
Net operating income (loss)	(6,378,314)	(5,677,175)	701,139
Property tax revenues	7,582,900	8,353,047	770,147
Other non-operating revenues and expenses	610,992	2,316,569	1,705,577
Non-operating revenues and expenses	8,193,892	10,669,616	2,475,724
Change in net position	$ 1,815,578	$ 4,992,441	$ 3,176,863

Operating revenues of $12,552,862 were $835,654 over the Budget of $11,717,208. Operating expenses of $18,230,037 were $134,515 over the amount budgeted. The budget for the internal service fund allocation for Fleet Internal Services did not record the revenues and expenses on a gross basis as discussed in Note 1. Property taxes, including CFD 94-1, and nonoperating revenues surpassed the budgeted amount by $770,147. The total change in net position of $4,992,441 exceeded the budgeted amount of $1,815,578 by $3,176,863 primarily due to grants received not budgeted and property tax revenue exceeding budget amounts.

CAPITAL ASSETS:

Table A-4
Condensed statement of capital assets

	June 30, 2025	June 30, 2024
Capital assets	$ 145,760,994	$ 139,572,506
Construction in progress	3,306,009	2,714,790
Total capital assets	149,067,003	142,287,296
Accumulated depreciation	(75,836,758)	(72,046,436)
Net capital assets	$ 73,230,245	$ 70,240,860

At the end of fiscal year 2025, the District had $149,067,003 invested in capital assets as shown in Table A4. The table excludes Subscription Based Information Technology Arrangements, which were $418,707 in assets with $210,054 in accumulated amortization. Capital assets grew by $6,188,488 or 4%. Construction in Process increased by $591,219. Accumulated depreciation increased $3,790,322 compared to prior year. The result was an increase in Net Capital Assets of $2,989,385 or 4%.

On September 1, 2010, the District entered into an installment sale agreement (the “Agreement”) for $4.5 million to finance the construction of certain capital facilities related to the District’s water acquisition, storage and distribution system consisting primarily of a water storage tank and appurtenances. The Agreement’s interest rate is 3.95% and is payable semiannually. Principal repayment began in August 2013 and concludes on February 1, 2026.

DISTRICT CONTACT INFORMATION:

This financial report is designed to provide our customers and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the funds it receives. Anyone having questions regarding this report or desiring additional information may contact Patrick Grimes, Chief Financial Officer, North Tahoe Public Utility District, P.O. Box 139 Tahoe Vista, CA 96148-0139 or by phone at (530)-546-4212 or by email at pgrimes@ntpud.org.

NORTH TAHOE PUBLIC UTILITY DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

	Business-Type				
	Sewer	**Water**	**Recreation**	**Total Enterprise Funds**	**Internal Service Funds**
ASSETS					
Current assets:					
Cash and cash equivalents (Note 2)	$ 2,187,383	$ 872,127	$ 1,082,427	$ 4,141,937	$ 8,212,107
Investments (Note 2)	-	-	-	-	951,741
Due (to)/from other funds	(420,000)	-	420,000	-	-
Accounts receivable (Note 3)	490,761	997,501	596,794	2,085,056	378,310
Inventory	83,706	144,680	-	228,386	11,511
Deposits and prepaid expenses	-	-	52,603	52,603	506,377
Total current assets	2,341,850	2,014,308	2,151,824	6,507,982	10,060,046
Restricted assets:					
Deposits and prepaid expenses	-	-	-	-	6,000
Total restricted assets	-	-	-	-	6,000
Noncurrent assets:					
Capital assets, net of accumulated depreciation (Note 4)	22,760,926	30,244,869	18,005,930	71,011,725	2,427,173
Total noncurrent assets	22,760,926	30,244,869	18,005,930	71,011,725	2,427,173
TOTAL ASSETS	25,102,776	32,259,177	20,157,754	77,519,707	12,493,219
DEFERRED OUTFLOWS OF RESOURCES					
Changes in the net pension liability (Note 6)	238,496	496,652	407,214	1,142,362	1,289,731
TOTAL DEFERRED OUTFLOW OF RESOURCES	$ 238,496	$ 496,652	$ 407,214	$ 1,142,362	$ 1,289,731

See accompanying notes to the basic financial statements.

NORTH TAHOE PUBLIC UTILITY DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025 (CONTINUED)

	Business-Type				
	Sewer	Water	Recreation	Total Enterprise Funds	Internal Service Funds
LIABILITIES					
Current liabilities					
Accounts payable and other liabilities	$ 117,138	$ 568,971	$ 363,769	$ 1,049,878	$ 988,275
Deferred revenue	-	-	382,350	382,350	-
Accrued interest payable	-	7,128	-	7,128	-
Compensated absences	167,236	167,236	125,401	459,873	497,952
Long term debt - current portion (Note 5)	-	433,064	-	433,064	86,467
Total current liabilities	284,374	1,176,399	871,520	2,332,293	1,572,694
Noncurrent liabilities					
Long term debt, less current portion (Note 5)	-	-	-	-	72,408
Net pension liability (asset) (Note 6)	(154,445)	1,169	(31,140)	(184,416)	168,533
Total noncurrent liabilities	(154,445)	1,169	(31,140)	(184,416)	240,941
TOTAL LIABILITIES	129,929	1,177,568	840,380	2,147,877	1,813,635
DEFERRED INFLOWS OF RESOURCES					
Changes in the net pension liability (Note 6)	76,216	72,438	64,383	213,037	108,492
TOTAL DEFERRED INFLOWS OF RESOURCES	76,216	72,438	64,383	213,037	108,492
NET POSITION					
Net investment in capital assets	22,637,125	29,247,899	17,667,492	69,552,516	2,256,004
Restricted for:					
Other	-	-	420,000	420,000	6,000
Section 115 Trust	-	-	-	-	483,185
Debt service	-	445,936	-	445,936	-
Unrestricted	2,498,002	1,811,988	1,572,713	5,882,703	9,115,634
TOTAL NET POSITION	$ 25,135,127	$ 31,505,823	$ 19,660,205	$ 76,301,155	$ 11,860,823

See accompanying notes to the basic financial statements.

NORTH TAHOE PUBLIC UTILITY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Business-Type				
	Sewer	Water	Recreation	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUE					
Service charges	$ 5,031,852	$ 5,251,814	$ -	$ 10,283,666	$ 794,137
Recreation events and programs	-	-	1,475,059	1,475,059	-
Total operating revenues	5,031,852	5,251,814	1,475,059	11,758,725	794,137
OPERATING EXPENSES					
Direct operating expenses	5,132,674	4,520,003	4,046,081	13,698,758	649,100
Depreciation and amortization	1,243,756	1,439,397	857,993	3,541,146	341,033
Total operating expenses	6,376,430	5,959,400	4,904,074	17,239,904	990,133
Operating income (loss)	(1,344,578)	(707,586)	(3,429,015)	(5,481,179)	(195,996)
NONOPERATING REVENUE (EXPENSE)					
Property tax revenue/CFD 94-1	211,741	2,321,640	3,396,273	5,929,654	2,423,393
Investment income	-	-	2,425	2,425	450,331
Grants	-	1,198,723	504,982	1,703,705	-
Miscellaneous revenues	95,356	824	10,949	107,129	101,716
Interest expense	-	(22,630)	-	(22,630)	-
Other nonoperating expenses	-	-	(7,226)	(7,226)	(18,881)
Total nonoperating revenue (expense), net	307,097	3,498,557	3,907,403	7,713,057	2,956,559
Income (expense) before transfers	(1,037,481)	2,790,971	478,388	2,231,878	2,760,563
TRANSFERS					
Transfers in	-	-	420,000	420,000	-
Transfers out	(420,000)	-	-	(420,000)	-
Total transfers	(420,000)	-	420,000	-	-
Change in Net Position	(1,457,481)	2,790,971	898,388	2,231,878	2,760,563
Total Net Position, Beginning of Year	26,592,608	28,714,852	18,761,817	74,069,277	9,100,260
Total Net Position, End of Year	$ 25,135,127	$ 31,505,823	$ 19,660,205	$ 76,301,155	$ 11,860,823

See accompanying notes to the basic financial statements.

NORTH TAHOE PUBLIC UTILITY DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Business-Type				
	Sewer	Water	Recreation	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$ 4,973,429	$ 5,135,964	$ 1,708,211	$ 11,817,604	$ 766,835
Cash paid to suppliers	(1,810,023)	(2,093,921)	(1,386,209)	(5,290,153)	(241,396)
Cash paid to employees	(3,468,271)	(2,692,492)	(2,861,413)	(9,022,176)	(352,770)
Net Cash Provided by (Used for) Operating Activities	(304,865)	349,551	(2,539,411)	(2,494,725)	172,669
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES					
Property tax collected	211,741	2,321,640	3,393,664	5,927,045	2,418,965
Interfund receipts (disbursements)	420,000	-	(420,000)	-	-
Transfers in (out)	(420,000)		420,000		
Other nonoperating revenues	95,356	824	10,949	107,129	82,835
Other nonoperating expenses	-	-	(7,226)	(7,226)	-
Net Cash Provided by Noncapital Financing Activities	307,097	2,322,464	3,397,387	6,026,948	2,501,800
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(333,161)	(3,666,291)	(821,259)	(4,820,711)	(927,522)
Capital grants received	-	786,497	292,309	1,078,806	-
Principal paid on capital debt	-	(416,452)	-	(416,452)	-
Interest paid on capital debt	-	(29,484)	-	(29,484)	(83,126)
Net Cash Used for Capital and Related Financing Activities	(333,161)	(3,325,730)	(528,950)	(4,187,841)	(1,010,648)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earnings	-	-	2,425	2,425	450,331
Proceeds from sale of investments	-	-	-	-	1,835,567
Net Cash Provided by Investing Activities	-	-	2,425	2,425	2,285,898
Net Increase (Decrease) in Cash and Cash Equivalents	(330,929)	(653,715)	331,451	(653,193)	3,949,719
Cash and Cash Equivalents, Beginning of Year	2,518,312	1,525,842	750,976	4,795,130	4,262,388
Cash and Cash Equivalents, End of Year	$ 2,187,383	$ 872,127	$ 1,082,427	$ 4,141,937	$ 8,212,107

See accompanying notes to the basic financial statements.

NORTH TAHOE PUBLIC UTILITY DISTRICT
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

	Business-Type				
	Sewer	Water	Recreation	Total Enterprise Funds	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating income (loss)	$ (1,344,578)	$ (707,586)	$ (3,429,015)	$ (5,481,179)	$ (195,996)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation and amortization	1,243,756	1,439,397	857,993	3,541,146	341,033
Net change in deferred outflows and inflows	(12,821)	(9,101)	(11,231)	(33,153)	(21,884)
(Increase) decrease in:					
Accounts receivable	(58,423)	(115,850)	105,300	(68,973)	(27,302)
Inventory	123,184	(144,680)	-	(21,496)	(11,511)
Other assets	-	-	(4,809)	(4,809)	161,207
Increase (decrease) in:					
Accounts payable and other liabilities	(123,480)	(26,744)	(65,848)	(216,072)	117,485
Deferred revenue	-	-	127,852	127,852	-
Compensated absences	28,215	28,215	21,156	77,586	84,007
Net pension liability	(160,718)	(114,100)	(140,809)	(415,627)	(274,370)
Net Cash Provided by (Used for) Operating Activities	$ (304,865)	$ 349,551	$ (2,539,411)	$ (2,494,725)	$ 172,669
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets purchased through payables	$ 123,801	$ 563,906	$ 338,438	$ 1,026,145	$ 12,294
Capital assets acquired through subscription liabilities	$ -	$ -	$ -	$ -	$ 68,808

See accompanying notes to the basic financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The North Tahoe Public Utility District (the "District") was organized in 1948 for the principal purpose of providing sewage collection and treatment facilities for the residents of the area. The District began providing water services in 1967 with the acquisition of the Brockway Water Company and has since then acquired several small water companies. In 1970, the District established a department for recreational activities, under its broad powers of service. The general area of the District is located along approximately seven miles of the north shore of Lake Tahoe from the Nevada state line at Crystal Bay to the boundaries of the Tahoe City Public Utility District at Dollar Point, California.

For financial reporting purposes, the District includes all funds that are controlled by or dependent on the District's Board of Directors. Management has determined the District to be a single reporting entity for financial reporting purposes by applying the criteria set forth in Statement of Governmental Accounting Standards No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. This criteria requires the reporting entity to have a separate elected governing body, be a legally separate entity, and fiscally independent. Based on the foregoing criteria; the District has included in these financial statements the North Tahoe Building Corporation (the "Corporation"), a California nonprofit public benefit corporation. The Corporation is controlled by the same governing authority, utilizes the same management, and is financially dependent upon the District. Its operations are influenced by the District and the District is responsible for its fiscal management, budgetary control, surpluses and deficits, and provides the sole source of its revenues. The Corporation provides financing for the District's renovation of its sewer and water systems. See Note 5 for description of debt outstanding. Separate financial statements for the Corporation may be obtained by contacting Patrick Grimes, Chief Financial Officer, North Tahoe Public Utility District, P.O. Box 139, Tahoe Vista, CA 96148-0139.

B. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

C. Measurement Focus, Basis of Accounting and Presentation

The basic financial statements of the District have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District applies all applicable GASB pronouncements in its accounting and reporting.

The statement of net position and the statement of revenues, expenses, and changes in net position are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources (whether current or noncurrent) associated with the operation of these funds are reported. Proprietary fund equity is classified as net position.

The accounts of the District are organized and operated as proprietary funds consisting of three enterprise funds and internal service funds. The operation of a fund is accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Internal service funds are used to account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis. The District's internal service funds account for fleet management and general and administrative services. Internal transactions that meet the definition of an exchange or exchange-like transaction are recorded as interfund charges for services and reported as gross operating revenues by the providing internal service fund, with corresponding expenses recognized by the receiving departments. For the year ended June 30, 2025, the Fleet Internal Service Fund recognized $749,762 in operating revenue for such exchange-like interfund services. Internal activity that represents a cost allocation of indirect or administrative services does not constitute an exchange transaction and therefore does not result in revenue recognition. These allocations are recorded solely as expense reassignments to the benefiting departments. For the year ended June 30, 2025, the District allocated $4,713,613 of indirect General & Administrative (G&A) Internal Service Fund costs to operating departments.

The financial statements of proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include taxes and grants. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The District may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The District's policy is to first apply restricted grant resources to such programs, followed by unrestricted resources if necessary. Restricted amounts are considered to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available.

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services and recreation fees. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities.

The District reports three major funds. The Sewer Fund is an enterprise fund that is used to account for the District's provision of sewer and related services and support services. The Water Fund is an enterprise fund that is used to account for the District's provision of water and related services. The Recreation Fund is an enterprise fund that is used to account for the District's provision of recreation related services, including the Event Center. Interfund activity between these funds has been eliminated in the financial statement presentation. Also presented on the basic financial statements are allocations from each major fund to the District's fleet and general and administrative internal service funds.

D. Budgetary Reporting

The District prepares an annual operating budget which is approved and adopted by the Board of Directors. The budget serves as an approved plan to facilitate financial control and operational evaluation. California State law does not require formal adoption of appropriated budgets for enterprise funds.

E. Cash and Cash Equivalents

The District considers cash and all highly liquid debt instruments with original maturities of three months or less to be cash equivalents. The District's cash and cash equivalents consist of cash, deposits in financial institutions, certificates of deposit, savings and cash with fiscal agents (including restricted assets). Cash and cash equivalents invested for specific requirements, such as deposits for construction projects, are segregated as restricted cash and cash equivalents.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Investments

Investments are reported at fair value. Changes in fair value that occur during a fiscal year are recognized as unrealized gains or losses and reported for that fiscal year. Investment income comprises interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

G. Fair Value Inputs, Methodologies, and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the assets. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

> **Level 1** - Unadjusted price quotations in active markets/exchanges for identical assets or liabilities that are accessible to the District.
>
> **Level 2** - Other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs.)
>
> **Level 3** - Unobservable inputs based on the best information available in the circumstance, to the extent observable inputs are not available (including the District's own assumptions used in determining the fair value of investments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

H. Accounts Receivable

Accounts receivable represent service charges and other revenues billed and uncollected at year-end, along with amounts accrued for items billed after year-end for service periods before year-end. Each year the District records liens for delinquent charges and collects through the property tax bill for active accounts, and pursues full-collection for closed accounts with unpaid balances. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

I. Inventory

Inventory is valued at cost, using the first-in first-out method (FIFO). Inventory consists of supplies used in the maintenance of water and sewer lines. The cost is recorded as an expense as inventory items are consumed.

J. Prepaid Expenses

Certain payments for health insurance and liability insurance reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets

Capital assets are defined by the District as assets with an initial cost of $5,000 or more, and subscription assets with a present value of $15,000 or more and with an estimated useful life in excess of one year. Capital assets are stated at cost less accumulated depreciation/amortization, except for subscription assets, or the market value at the time received in case of gifts or contributions. Maintenance and repairs are charged to expense as incurred and replacements which improve or extend the lives of property are capitalized. All depreciation/amortization is computed on the straight-line basis over the following useful lives:

	Years
Water and sewer system	30 - 50
Buildings	30 - 50
Building and park improvements	10 - 25
Furniture and equipment	5 - 15
Vehicles	7
Subscription assets	3 - 6

L. Compensated Absences

The District accounts for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*. Compensated absences include leave for which employees may receive cash payments or other forms of settlement, either during employment or upon termination. These include, but are not limited to, vacation leave, management leave, sick leave, holidays, and bereavement leave. Under GASB 101, a liability is recognized for: (1) leave that has been earned but not yet used, and (2) leave that has been used but not yet paid or settled. The liability is measured based on the amount of leave that is more likely than not to be paid or settled. This includes applicable salary-related payments, if those contributions are directly associated with the payment of compensated absences.

M. Pension Plan

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Measurement period	July 1, 2023 - June 30, 2024

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Capital Contributions

Capital contributions are assets contributed by Special Assessment Districts or real estate developers.

O. Subscription-Based Information Technology Arrangements (SBITA)

A SBITA is defined as a contractual agreement that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction.

The District uses various SBITA assets that it contracts through on-premise and cloud computing arrangements, such as software as a service and platform as a service. The related obligations are presented in amounts equal to the present value of subscription payments, payable during the remaining SBITA term. SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

P. Property taxes

Taxes are levied on November 1st and February 1st and are due and payable at that time. Unpaid property taxes are attached as an enforceable lien on property as of March 1st. Property tax revenues are recognized in the fiscal period for which they are levied and in which they become available. The District relies on Placer County for assessing the property tax and establishing a lien date, and for billing, collecting and distributing its share of the property tax revenue.

Q. Restricted Resources

The District's policy is to first apply restricted resources when an expense is incurred for purposes which both restricted and unrestricted net position are available.

R. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Net Position

Net position represents the difference between all other elements in the statement of net position and is displayed in the following three components:

> **Net Investment in Capital Assets** – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.
>
> **Restricted** – This component of net position is restricted when constraints are imposed by third parties or by law through constitutional provisions or enabling legislation.
>
> **Unrestricted** – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

T. Risk Pools

The District is a member of the Special District Risk Management Authority (SDRMA) which provides workers' compensation coverage for the District in addition to health insurance for management. All costs are currently recorded as direct operating expenses.

U. Implementation of Government Accounting Standards Board Statements

Effective July 1, 2024, the District implemented the following accounting and financial reporting standards:

Governmental Accounting Standards Board Statement No. 101

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The District adopted this accounting guidance for its June 30, 2025 year-end. There was no material impact to the financial statements.

Governmental Accounting Standards Board Statement No. 102

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this Statement is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. The District adopted this accounting guidance for its June 30, 2025 year-end. There was no material impact to the financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2025 or later and may be applicable for the District. However, the District has not determined what impact, if any, these pronouncements will have on the financial statements.

Governmental Accounting Standards Board Statement No. 103

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for the District's fiscal year ending June 30, 2026.

Governmental Accounting Standards Board Statement No. 104

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital asset note disclosures required by Statement 34, and also requires additional disclosures for capital assets held for sale. The requirements of this statement are effective for the District's fiscal year ending June 30, 2026.

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2025 consisted of the following:

Cash and cash equivalents:	
Unrestricted:	
Cash on hand	$ 2,690
Unrestricted deposits in financial institutions	3,048,654
Deposits in Local Agency Investment Fund (LAIF)	42,139
California CLASS	9,260,561
Total cash and cash equivalents	$ 12,354,044
Investments:	
Unrestricted:	
U.S. government securities	$ 245,628
Mutual funds	23,460
Certificates of deposit	199,468
Total unrestricted investments	468,556
Restricted:	
CalPERS trust	483,185
Total restricted investments	483,185
Total investments	$ 951,741

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the California Government Code and the District's Investment Policy

Statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities within the State, State Treasury, bankers' acceptances, and commercial paper of the highest ranking provided by Moody's Investors Service, Inc., or Standard and Poor's Corporation, repurchase or reverse repurchase agreements, and the State Treasurer's Investment Pool.

The investment policy set by the Directors of the District is more conservative than that set by state statute. The policy allows the District treasurer to invest in certificates of deposit, U.S. Treasury Bills, instruments guaranteed by the U.S. Government, Money Market Accounts, and investment in U.S. Government securities, Placer County Investment Fund, LAIF, and California CLASS.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One way the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities. A portion of the portfolio is always maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for the District's operations and capital improvement program.

In addition, the Investment Policy limits the purchase of securities to those with maturities of five years or less. Longer investments require prior authorization of the Board of Directors. Certain investments that are highly sensitive to interest rate fluctuations are prohibited by the Investment Policy.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2025:

		Investment Maturities (in years)		
Investment Type	**Fair Value**	**Less than 1**	**1-2**	**3-5**
Mutual funds	$ 23,460	$ 23,460	$ -	$ -
U.S. government securities	245,628	245,628	-	-
Certificates of deposit	199,468	199,468	-	-
CalPERS Trust	483,185	483,185	-	-
	$ 951,741	$ 951,741	$ -	$ -

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the investment policy, or debt agreements, and the actual rating as of the year ended June 30, 2025 for each investment type.

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

		Rating as of Year End		
	Total	S&P	Moody's	N/A
Mutual funds	$ 23,460			Not rated
U.S. government securities	245,628	AA+		
Certificates of deposits	199,468			Not rated
CalPERS Trust	483,185			Not rated
Total investments	951,741			
Total	$ 951,741			

Concentration of Credit Risk

Concentration of Credit risk is the risk of loss attributed to the magnitude of an investor's investment in a single issuer. To limit this risk, the District places a limit on the amount that can be invested in any one issuer to the lesser of the amount stipulated by the California Government Code or 10% investments, with the exception of U.S. Treasury obligation bonds, U.S. Agency securities, and pooled investment funds.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the depositor will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The District's Investment Policy requires the financial institution to either collateralize the deposits or cover them with Federal deposit insurance. The District's cash and deposits in financial institutions, totaling $3,522,383 as of June 30, 2025, are secured by federal depository insurance for $250,000 with the remainder covered by collateral held by an agent of the pledging bank in the District's name.

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF which are recorded on an amortized cost basis.

Investment in California CLASS

California CLASS in a Joint Powers Authority created by public agencies to provide a convenient method for agencies to pool their assets for investment purposes. California CLASS is governed by a Board of Trustees made up of experienced local agency executives. The Board sets overall policies for the program and selects and supervises the activities of the investment manager and other agents. Following the investment policy direction established by the Board of Trustees, the primary objective of the investment manager is to safeguard the principal. The secondary objective shall be to meet the liquidity needs of the participants, and the final objective shall be to maximize the yield in a manner consistent with the first two objectives. The objective of the investment policy is to obtain the best possible return commensurate with the degree of risk that participants are willing to assume in obtaining such return. The District invests in the California CLASS Prime Fund. The 30 day yield at June 30, 2025 was 5.4025% and the weighted average maturity was 32 days.

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Investment in CalPERS Section 115 Trust

The District has a trust fund account managed by California Employers' Pension Prefunding Trust (CEPPT) Fund. This fund is a Section 115 trust fund dedicated to prefunding employer contributions to defined benefit pension systems for eligible California public agencies. The Section 115 Trust was established as a means to set aside monies to fund the District's pension obligations. Contributions to the Section 115 trust are irrevocable, the assets are dedicated to providing benefits to plan members, and the assets are protected from creditors of the District. In accordance with generally accepted accounting principles, the assets in the Section 115 Trust are not considered to have present service capacity as plan assets and are therefore considered restricted assets of the District rather than plan assets. Accordingly, the Section 115 Trust's assets are recorded as restricted for pension benefits rather than assets of the pension plan during the measurement of the net pension liability. The assets held in trust will be considered pension plan assets at the time they are transferred out of the Trust into the pension plan.

Investment Valuation

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments that are measured using Level 3 inputs.

The following table set forth by level, within the fair value hierarchy, the District's assets at fair value as of June 30, 2025.

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 23,460	$ -	$ -	$ 23,460
U.S. government securities	-	245,628	-	245,628
Certificates of deposit	-	199,468	-	199,468
CalPERS trust	-	483,185	-	483,185
Total investments at fair value	$ 23,460	$ 928,281	$ -	$ 951,741

NOTE 3: ACCOUNTS RECEIVABLE

Accounts receivable, presented as current assets as of June 30, 2025 consisted of the following:

Service charges	$ 1,084,572
Property tax	385,803
Grants	865,281
Other	127,710
Total accounts receivable	$ 2,463,366

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	July 1, 2024	Additions	Retirements	Transfers	June 30, 2025
Capital assets not being depreciated					
Land and property rights	$ 7,138,605	$ -	$ -	$ -	$ 7,138,605
Construction in progress	2,714,790	6,767,020	(6,965)	(6,168,836)	3,306,009
Total capital assets not being depreciated	9,853,395	6,767,020	(6,965)	(6,168,836)	10,444,614
Capital assets being depreciated/amortized					
Building and improvements	31,631,477	-	-	532,001	32,163,478
Sewer system	41,231,128	70	-	2,105,621	43,336,819
Water system	48,746,881	-	-	2,914,033	51,660,914
Vehicles and equipment	8,844,077	19,582	-	511,469	9,375,128
Furniture and office equipment	1,980,338	-	-	105,712	2,086,050
Intangible right-to-use software agreements	591,637	68,808	(241,738)	-	418,707
Total capital assets being depreciated/amortized	133,025,538	88,460	(241,738)	6,168,836	139,041,096
Less accumulated depreciation/amortization	(72,296,265)	(3,882,179)	131,632	-	(76,046,812)
Total capital assets being depreciated/amortized, net	60,729,273	(3,793,719)	(110,106)	6,168,836	62,994,284
Capital assets, net	$ 70,582,668	$ 2,973,301	$ (117,071)	$ -	$ 73,438,898

NOTE 4: CAPITAL ASSETS (CONTINUED)

Construction in progress as of June 30, 2025 consisted of the following:

Fund	Project Description	Amount
Sewer	Sewage Export System Inspection/Analysis Predesign	$ 66,406
Sewer	Satellite PS Rehabilitation Design	218,920
Sewer	Satellite PS Improvements Project	98,387
Water	National Ave Water Treatment Plant	265,633
Water	Trout Fire Protection Water Infrastructure	282,023
Water	Smart Metering Infrastructure Improvements	892,786
Water	Speckled Service Replacements	1,343
Water	Small Projects	2,838
Recreation	Wayfinding and Destination Signage	74,688
Recreation	NTEC Emergency Generator	283,472
Recreation	Customer Irrigation Rebate	1,720
Recreation	NTEC Architectural Planning Study	157,239
Recreation	NTRP Multi-Purpose Trail	249,352
Recreation	Pickleball Plaza Improvements	347,613
Recreation	Secline Property Improvements	104,648
Recreation	Regional Park Parking Management	49,902
Recreation	Bathroom Remodel	43,814
Recreation	Pam Emmerich Trail Reconstruction	46,772
Recreation	Small Projects	4,083
Internal Service	Corporation Yard Layout	114,370
		$ 3,306,009

Depreciation and amortization expense for the years ended June 30, 2025 was charged to the enterprise activities as follows:

Sewer	$ 1,243,756
Water	1,439,397
Recreation	857,993
Internal Service	341,033
	$ 3,882,179

NOTE 5: LONG TERM LIABILITIES

A summary of long-term liability activity for the year ended June 30, 2025 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Installment note	$ 849,516	$ -	$ (416,452)	$ 433,064	$ 433,064
Subscription (SBITA) liability	277,520	68,808	(187,453)	158,875	86,467
Total	1,127,036	68,808	(603,905)	591,939	519,531
Other liabilities					
Compensated absences	796,232	161,593	-	957,825	-
Total Long-term liabilities	$ 1,923,268	$ 230,401	$ (603,905)	$ 1,549,764	$ 519,531

Installment Note

On September 1, 2010, the District entered into an installment sale agreement (the "Agreement") for $4.5 million to finance the construction of certain capital facilities related to the District's water acquisition, storage, and distribution system consisting primarily of a water storage tank and appurtenances. The Agreement's interest rate is 3.95% and is payable semi-annually. Principal repayment began in August 2013 and concludes on February 1, 2026. Total interest incurred during the year ended June 30, 2025 was $22,630. The note is collateralized by the asset described.

Principal and interest maturities of long-term debt are as follows:

Years ending June 30,	Principal	Interest	Total
2026	$ 433,064	$ 12,872	$ 445,936
Total payments	$ 433,064	$ 12,872	$ 445,936

Subscriptions (SBITAs)

The District has entered into subscription-based information arrangements (SBITAs) involving various software subscriptions. The total value of the District's subscription assets are recorded as $418,707, less accumulated amortization of $210,054.

Years ending June 30,	Principal	Interest	Total
2026	$ 86,467	$ 8,826	$ 95,293
2027	72,408	3,997	76,405
Total payments	$ 158,875	$ 12,823	$ 171,698

NOTE 6: PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of a safety risk pool and a miscellaneous risk pool which are comprised of individual employer miscellaneous and safety rate plans, respectively, including those of the District. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety and miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the safety or miscellaneous pools. The District's employer rate plans in the miscellaneous risk pool include the Miscellaneous plan (Miscellaneous) and the PEPRA Miscellaneous plan (PEPRA Miscellaneous). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic members and PEPRA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service.

The rate plan's provisions and benefits in effect at June 30, 2025 and 2024, are summarized as follows:

Hire Date	Hired prior to January 1, 2013	Hired on or after January 1, 2013
Benefit Formula	2.0% @ 55	2.0% @ 62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50	52
Monthly Benefits, as a % of Eligible Compensation	1.462% to 2.418%	1.0% to 2.5%
Required Employee Contribution Rates	6.92%	7.750%
Required Employer Contribution Rates	11.880%	7.870%
Required UAL Contribution	$27,610	$6,677

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The District's contributions to the Plan for the year ended June 30, 2025 was $1,461,845.

NOTE 6: PENSION PLAN (CONTINUED)

B. Pension Liabilities (Assets), Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2025, the District reported a net pension liability (asset) of $-, for its proportionate share of the net pension liability (asset) of the Plan.

The District's net pension liability (asset) is measured as the proportionate share of the net pension liability (asset). The net pension liability (asset) of the Plan is measured as of June 30, 2024, and the total pension liability of the Plan used to calculate the net pension liability (asset) was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The District's proportion of the net pension liability (asset) was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability (asset) of the Miscellaneous Plan as of the measurement date June 30, 2024 was as follows:

Proportion - June 30, 2023	0.01348 %
Proportion - June 30, 2024	(0.00032)%
Change - decrease	(0.01380)%

For the year ended June 30, 2025 the District recognized pension expense of $716,808. Pension expense is comprised of various elements including service cost, interest, changes in benefit terms, investment experience, and amortization of deferred outflows and inflows of resources, which are all factors used by the actuaries in the calculation of net pension liability (asset).

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	$ 1,461,845	$ -
Adjustment due to differences in proportions	98,279	298,992
Difference between actual and expected experience	229,245	7,779
Changes in assumptions	59,281	-
Difference between actual and required contributions	453,202	14,758
Net difference between projected and actual earning on plan investments	130,241	-
Total	$ 2,432,093	$ 321,529

NOTE 6: PENSION PLAN (CONTINUED)

The reported deferred outflows of resources related to contributions subsequent to the measurement date of $1,461,845 will be recognized as a reduction of the net pension liability in the subsequent fiscal year-end. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30,		
2026	$	263,390
2027		426,296
2028		26,788
2029		(67,755)
Total	$	648,719

Actuarial Assumptions

The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return (2)	6.80% net of pension plan investment expenses, includes inflation
Mortality (1)	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies.

(1): The mortality table used was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report that can be found on the CalPERS website.

Changes in Assumptions

For the measurement period ending June 30, 2024, there were no changes in assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 6: PENSION PLAN (CONTINUED)

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Using historical and forecasted information for all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rate of return by asset class as of June 30, 2023 and 2022. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset class	Assumed asset allocation	Real return years 1-10 (1)
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00)%	(0.59)%

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021-2022 Asset Liability Management study.

NOTE 6: PENSION PLAN (CONTINUED)

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability (asset) for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

At June 30, 2025 the discount rate comparison was the following:

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
Net pension liability (asset)	$1,825,691	$(15,886)	$(1,531,776)

Allocation Between the District's Funds

The net pension liability (asset) has been allocated to the District's enterprise funds based on their respective percentage of total annual pensionable wages.

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. The annual financial report can be obtained at calpers.ca.gov.

NOTE 7: DEFINED CONTRIBUTION PLAN

The District has a defined contribution money purchase pension plan (the North Tahoe Public Utility District Money Purchase Pension Plan) maintained by Officers of the District as trustees. No other entity contributed to this plan. The last contribution to this plan was made on August 27, 2010 when the District transitioned to a defined benefit plan with California Public Employees' Retirement System (CalPERS).

NOTE 8: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; injuries to employees; life and health of employees; and natural disasters.

The District purchases commercial property insurance for real and personal property damage owned by the District with coverage up to a maximum of $16.5 million with blanket coverage extension of $2 million. The District also purchases property insurance covering unscheduled contractor's equipment, scheduled equipment, and rented equipment.

The District purchases general liability and management liability insurance coverage up to policy term aggregate limits of $10 million each subject to various sub-policy limits, generally $1 million for various activities. The District also maintains insurance coverage related to employee dishonesty and crime of $10 million aggregate. Finally, the District maintains commercial automobile insurance for vehicle related property damage with coverage up to a maximum of $1.0 million and commercial umbrella insurance or excess liability coverage up to a maximum of $10 million.

NOTE 9: COMMITMENTS AND CONTINGENCIES

Construction Commitments

The District has entered into design and construction commitments totaling $8,569,145 for the year ended June 30, 2025. As of June 30, 2025 the amount earned on the contracts was $4,741,767 with a remaining balance of $3,827,387.

Litigation

The District has received federal and state grants for specific purposes that are subject to review and audit by the federal and state government. Although such audits could result in expenditure being disallowed under grant terms, any required reimbursements are not expected to be material.

The District is also subject to legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to such actions will not materially affect the financial position or results of operations of the District.

NOTE 10: JOINT POWERS AUTHORITY

The District is a member of a joint powers authority, Special District Risk Management Authority (SDRMA), for the operation of a common risk management and insurance program. The program covers workers' compensation and medical, dental, and vision coverage. SDRMA is governed by a Board of Directors consisting of representatives from member agencies, which controls the operations of the SDRMA, including selection of management and approval of operating budgets.

The following is a summary of the most current audited financial information for SDRMA as of June 30, 2024 (the most recent information available):

Total assets and deferred outflows	$ 163,975,324
Total liabilities and deferred inflows	78,788,958
Net position	85,186,366
Total revenues	117,816,189
Total expenses	104,151,026

The relationships between North Tahoe Public Utility District and the joint powers authorities are such that SDRMA is not considered a component unit of the District for financial reporting purposes.

NOTE 11: VOTER LEGISLATION

Proposition 218, which was approved by the voters in November 1996, regulates the District's ability to impose, increase, and extend assessments and fees. Any new, increased, or extended assessments and fees subject to the provisions of Proposition 218 require voter approval before they can be implemented. Additionally, Proposition 218 provides that these assessments and fees are subject to the voter initiative process and may be rescinded in the future by the voters.

NOTE 12: INTERFUND TRANSACTIONS

Interfund transactions between funds are reflected as loans, services provided, reimbursements, or transfers. Loans are reported as receivables or payables as appropriate and are subject to elimination upon consolidation. The District transfers resources among funds in the course of normal operations. Services provided, deemed to be at market or near market rates are accounted for as revenues and expenditures/expenses. Transactions to reimburse a fund for expenditures/expenses initially made from it that are applicable to another fund are recorded as expenditures/expenses in the correct fund and as reductions of expenditures/expenses in the original fund. All other interfund transactions are reported as transfers.

The composition of interfund balances as of June 30, 2025 was as follows:

Due to/from Other Funds

Receivable Fund	Payble Fund	Description	Total
Recreation Fund	Sewer Fund	Supplemental Environmental Project	$ 420,000
		Total Due to/from	$ 420,000

Interfund Transfers to/from Other Funds

Transfers In	Transfers Out	Description	Total
Recreation Fund	Sewer Fund	Sewer spill	$ 420,000
		Total Interfund Transfers	$ 420,000

NOTE 13: SUBSEQUENT EVENTS

Management has evaluated events subsequent to June 30, 2025 through January 9, 2026, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

NORTH TAHOE PUBLIC UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AS OF JUNE 30, 2025
LAST 10 YEARS

	Measurement Period				
	2024	**2023**	**2022**	**2021**	**2020**
Proportion of the net pension liability (asset)	(0.00013)%	0.00540 %	0.00281 %	(0.01893)%	0.00191 %
Proportionate share of the net pension liability (asset)	$ (15,883)	$ 674,114	$ 324,699	$(1,023,758)	$ 207,666
Covered payroll	$ 5,046,185	$ 4,795,536	$ 3,980,826	$ 3,946,442	$ 3,611,610
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	(0.31)%	14.06 %	8.16 %	(25.94)%	5.75 %
Plan fiduciary net position as a percentage of the total pension liability	78.10 %	76.20 %	76.70 %	88.30 %	75.10 %

Notes to Schedule:

Benefit changes: In 2015, benefit terms were modified to base public safety employee pensions on a final three-year average salary instead of a final five-year average salary.

Changes in assumptions: In November 2021, the CalPERS Board of Administration adopted new investment portfolios as well as several changes to actuarial assumptions. For PERF C, these changes were implemented in the June 30, 2021, actuarial valuations for funding purposes. Included in these changes were assumptions for inflation, the discount rate, and administrative expenses, as well as demographic assumptions including changes to mortality rates. The inflation assumption was reduced from 2.50% to 2.30%, the administrative expense assumption was reduced from 0.15% to 0.10%, and the discount rate was reduced from 7.00% to 6.80%. As a result, for financial reporting purposes, the discount rate for the PERF C was lowered from 7.15% to 6.90% in Fiscal Year 2021-22. In 2021, 2020 and 2019, there were no changes. In 2018, the demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2017, the accounting discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.50% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.50% discount rate.

NORTH TAHOE PUBLIC UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) (CONTINUED)
AS OF JUNE 30, 2025
LAST 10 YEARS

	Measurement Period				
	2019	**2018**	**2017**	**2016**	**2015**
Proportion of the net pension liability (asset)	0.00014 %	0.00489 %	0.00517 %	0.00411 %	0.00327 %
Proportionate share of the net pension liability (asset)	$ 14,642	$ 471,608	$ 513,101	$ 355,920	$ 224,584
Covered payroll	$ 3,338,200	$ 3,512,806	$ 3,315,324	$ 2,891,320	$ 2,950,176
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	0.44 %	13.43 %	15.48 %	12.31 %	7.61 %
Plan fiduciary net position as a percentage of the total pension liability	75.30 %	75.30 %	73.30 %	74.10 %	78.30 %

NORTH TAHOE PUBLIC UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS TO THE COST SHARING DEFINED BENEFIT PENSION PLAN
AS OF JUNE 30, 2025
LAST 10 YEARS

	Fiscal Year-End				
	2025	**2024**	**2023**	**2022**	**2021**
Contractually required contribution (actuarially determined)	$ 490,475	$ 455,681	$ 424,499	$ 366,067	$ 372,171
Contributions in relation to the actuarially determined contributions	(1,461,844)	(1,076,888)	(424,499)	(746,276)	(372,171)
Contribution deficiency (excess)	$ (971,369)	$ (621,207)	$ -	$ (380,209)	$ -
Covered payroll	$ 5,298,112	$ 5,046,185	$ 4,795,536	$ 3,980,826	$ 3,946,442
Contributions as a percentage of covered payroll	27.59 %	21.34 %	8.85 %	18.75 %	9.43 %

NORTH TAHOE PUBLIC UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS TO THE COST SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)
AS OF JUNE 30, 2025
LAST 10 YEARS

	Fiscal Year-End				
	2020	**2019**	**2018**	**2017**	**2016**
Contractually required contribution (actuarially determined)	$ 331,781	$ 313,767	$ 307,059	$ 262,942	$ 301,229
Contributions in relation to the actuarially determined contributions	(331,781)	(883,562)	(298,327)	(267,180)	(301,229)
Contribution deficiency (excess)	$ -	$ (569,795)	$ 8,732	$ (4,238)	$ -
Covered payroll	$ 3,811,416	$ 3,338,200	$ 3,512,806	$ 3,315,324	$ 2,891,320
Contributions as a percentage of covered payroll	8.70 %	9.40 %	8.74 %	7.93 %	10.42 %

Supplementary Information

NORTH TAHOE PUBLIC UTILITY DISTRICT
COMPARISON OF BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Service charges	$ 10,352,419	$ 10,352,419	$ 11,077,803	$ 725,384
Recreation events and programs	1,364,789	1,364,789	1,475,059	110,270
Property taxes/CFD 94-1	7,582,900	7,582,900	8,353,047	770,147
Investment income (loss)	100,000	100,000	452,756	352,756
Grants	458,000	458,000	1,703,705	1,245,705
Miscellaneous	76,989	76,989	208,845	131,856
	$ 19,935,097	$ 19,935,097	$ 23,271,215	$ 3,336,118
Expenses:				
Direct operating expenses	14,115,836	14,115,836	14,347,858	232,022
Administration and general	100,000	100,000	-	(100,000)
Depreciation and amortization	3,879,686	3,879,686	3,882,179	2,493
Interest expense	23,997	23,997	22,630	(1,367)
Other nonoperating expenses	-	-	26,107	26,107
	18,119,519	18,119,519	18,278,774	159,255
Total Positive(Negative) Variance	$ 1,815,578	$ 1,815,578	$ 4,992,441	$ 3,176,863

Other Reports

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

To the Board of Directors
North Tahoe Public Utility District
Tahoe Vista, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of the North Tahoe Public Utility District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 9, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Moss Adams? — MUN CPAs, LLP

Sacramento, California
January 9, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
North Tahoe Public Utility District
Tahoe Vista, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited North Tahoe Public Utility District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

MUN CPAs, LLP

Sacramento, California
January 9, 2026

NORTH TAHOE PUBLIC UTILITY DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Program Title	Federal AL Number	Contract/ Pass-through Number	Expenditures
United States Department of Agriculture			
Pass-Through South Tahoe Public Utility District			
Lake Tahoe Erosion Control Grant Program	10.690	24-DG-165-STPUD	$ 743,568
Total United States Department of Agriculture			743,568
United States Department of the Interior			
WaterSMART (Sustain and Manage America's Resources for Tomorrow)	15.507	R24AP990683-1	243,266
Total United States Department of the Interior			243,266
United States Environmental Protection Agency			
Congressionally Mandated Projects	66.202	CG-97T2401-0	168,960
Total United States Environmental Protection Agency			168,960
Department of Homeland Security			
Pass-Through State of California Governor's Office of Emergency Services:			
Hazard Mitigation Grant Program	97.039	FEMA-4558-DR	132,422
Total U.S. Department of Homeland Security			132,422
Total Expenditures of Federal Awards			$ 1,288,216

NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1: SCOPE OF AUDIT PURSUANT TO UNIFORM GUIDANCE

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance provided to North Tahoe Public Utility District under programs of the Federal Government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

NOTE 2: REPORTING ENTITY

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the District. The District's reporting entity is defined in Note 1 of the District's financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule. When federal awards were received from a pass-through entity, the schedule of expenditures of federal awards shows, if available, the identifying number assigned by the pass-through entity.

NOTE 3: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis of accounting. Grant and contract revenues are recorded for financial reporting purposes when the District has met the qualifications for the respective grants and contracts.

NOTE 4: CLAIMS

The District has received federal grants for specific purposes that are subject to review and audit by the Federal Government. Although such audits could result in expenditure disallowances under the grant terms, any required reimbursements are not expected to be material.

NOTE 5: INDIRECT COSTS

The District elected not to use the 10% de minimus indirect cost rate, and did not charge indirect costs to federal grants during the year ended June 30, 2025.

NORTH TAHOE PUBLIC UTILITY DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on basic financial statements	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance?	No

Major programs are as follows:

AL Number	Name of Federal Program
10.690	Lake Tahoe Erosion Control Grant Program

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

SECTION II - FINANCIAL STATEMENT FINDINGS

No current year findings relating to the financial statements which are required to be reported in accordance with *Generally Accepted Government Auditing Standards*.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No current year findings. There were no questioned costs for federal awards as defined in section 200.516 of the Uniform Guidance.

NORTH TAHOE PUBLIC UTILITY DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

No findings or questioned costs were reported for the year ended June 30, 2024.

January 9, 2026

To the Board of Directors
North Tahoe Public Utility District

We have audited the financial statements of the business-type activities and each major fund of North Tahoe Public Utility District (the "District") for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 30, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by North Tahoe Public Utility District are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the District changed accounting policies related to compensated absences by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 101, *Compensated Absences*, in 2025. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

> Depreciation – Management's estimate of depreciation is based on the asset's useful life and District's capitalization policy.
>
> Net pension liability (asset) – Management's estimate of the net pension liability (asset) is based on actuarial valuations.
>
> Right-to-use subscription assets and liabilities – Management's estimates of the right-to-use subscription assets and liabilities are based on the present value of payments to be made.

We have evaluated the methods, assumptions, and data used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Attachment A summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. In addition, there were no misstatements detected as a result of audit procedures that were either individually or in the aggregate material, to each opinion unit's financial statements taken as a whole.

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GLENDALE • ROSEVILLE • SACRAMENTO • ZEPHYR COVE • KAUAI

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 9, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis (MD&A), the schedule of the District's proportionate share of the net pension liability (asset), and the schedule of contributions to the cost-sharing defined benefit pension, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of North Tahoe Public Utility District and management of North Tahoe Public Utility District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

MUN CPAs, LLP

MUN CPAs, LLP

Attachment A

NORTH TAHOE PUBLIC UTILITY DISTRICT
SUMMARY OF PASSED AUDIT ADJUSTMENTS
June 30, 2024

	Effect - Increase (Decrease)				
Description	**Assets**	**Liabilities**	**Equity**	**Revenue**	**Expenses**
Current Year Differences					
Error in invetory listing	$ 3,147	$ -	$ -	$ -	$ (3,147)
Total Income Statement Effect				$ -	$ (3,147)
Balance Sheet Effect	$ 3,147	$ -	$ -		

Management Letter

January 9, 2026

To the Board of Directors
North Tahoe Public Utility District
Tahoe Vista, California

In planning and performing our audit of the financial statements of North Tahoe Public Utility District (the District) as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the District's system of internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

During our audit we became aware of certain matters in internal controls that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated January 9, 2026, on the financial statements of the District.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the District, and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

MUN CPAs, LLP

MUN CPAs, LLP

North Tahoe Public Utility District
Management Letter Recommendation
June 30, 2025

Inventory

As part of our inventory testing, we selected a sample of items from the inventory listing to verify the price used against supporting documentation. For one out of fifteen items selected for testing, the unit price per the invoice did not agree to the unit price used to calculate the inventory value. We recommend management ensure that the price used to calculate the extended inventory value agrees to the vendor invoice.

Management's Response:

The District will formalize its efforts to evaluate prior inventory practices to better align the accounting records with operations and minimize exposure to any discrepancies in the carrying values of spare-parts. We expect to introduce a new approach that can be implemented by the end of FYE 2026.

Capital Assets

As part of our capital asset procedures, we noted that the District disposed of certain capital assets as evidenced by a gain on the sale of assets recorded on the trial balance. However, the item was not removed from the capital asset listing. We recommend the District take a physical inventory of its capital assets and review the listing of capital assets for fully depreciated assets, to ensure that only active, in-service capital assets are included on the District's financial statements.

Management's Response:

The District will evaluate historical fixed asset records and establish a comprehensive listing of qualified fixed assets, including fully depreciated items. As we recently filled the Asset Management Technician position, we expect that this new process will be implemented by the end of FYE 2026.

NORTH TAHOE PUBLIC UTILITY DISTRICT
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED UPON PROCEDURES
APPROPRIATIONS LIMIT CALCULATION
AS OF JUNE 30, 2025

MUN CPAS, LLP
1760 Creekside Oaks Drive, Suite 160
Sacramento, California 95833

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
North Tahoe Public Utility District
Tahoe Vista, California

We have performed the procedures enumerated below on the accompanying Appropriations Limit Calculation of North Tahoe Public Utility District (the District) for the year ended . The District's management is responsible for the Appropriations Limit Calculation.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purposes of meeting the requirements of Section 1.5 of Article XIIIB of the California Constitution. Additionally, the League of California Cities (as presented in the publication entitled Agreed-upon Procedures Applied to Appropriations Limitation Prescribed by Article XIII-B of the California Constitution) has agreed to and acknowledged that the procedures performed are appropriate for its purposes.

The procedures and associated findings are as follows:

1. We obtained the completed internal calculations and compared the limit and annual adjustment factors included in those calculations to the limit and annual adjustment factors that were adopted by a resolution of the Board of Directors. We compared the population and inflation options included in the aforementioned calculations to those that were selected by a recorded vote of the Board of Directors.

   Finding: No exceptions were noted as a result of our procedures.

2. For the Appropriations Limit Calculation, we added the appropriations limit to the annual permitted adjustments and agreed the resulting amount to the appropriations limit.

   Finding: No exceptions were noted as a result of our procedures.

3. We compared current year information presented in the appropriations limit calculation to supporting worksheets.

   Finding: No exceptions were noted as a result of our procedures.

4. We compared the appropriations limit presented in the appropriations limit calculation to the prior year appropriations limit adopted by the Board of Directors during the prior year.

   Finding: No exceptions were noted as a result of our procedures.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Appropriations Limit Calculation. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

No procedures have been performed with respect to the determination of the appropriations limit for the base year, as defined by Article XIIIB of the California Constitution.

This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

MUN CPAs, LLP

Sacramento, California
January 9, 2026

NORTH TAHOE PUBLIC UTILITY DISTRICT
APPROPRIATIONS LIMIT CALCULATION
JUNE 30, 2025

	Amount	Source
A. Prior year's appropriations limit (at)	$ 14,814,244	
B. Adjustment factors for the current fiscal year:		
1. Population change	1.0016	* State Finance
2. Inflation (per capita personal income change)	1.0362	* State Finance
Total adjustment	1.0379	* B1 x B2
C. Annual adjustment	560,836	A x (B -1)
D. Other Adjustments		
Lost responsibility (-)	-	
Transfer to fees (-)	-	
Assumed responsibility (+)	-	
	-	
E. Total adjustments	560,836	C + D
F. Current year's appropriations limit (at)	$ 15,375,080	A + E

* Rounded to the nearest ten thousandth

North Tahoe Public Utility District
Summary of Audit Results
June 30, 2025

Auditor & Management Responsibilities

- **Management is responsible** for the preparation and presentation of the financial statements

- Purpose of an audit is to provide financial statement users with an **independent opinion** on whether the financial statements are presented fairly, in all material respects, and in accordance with applicable accounting standards (GAAP)

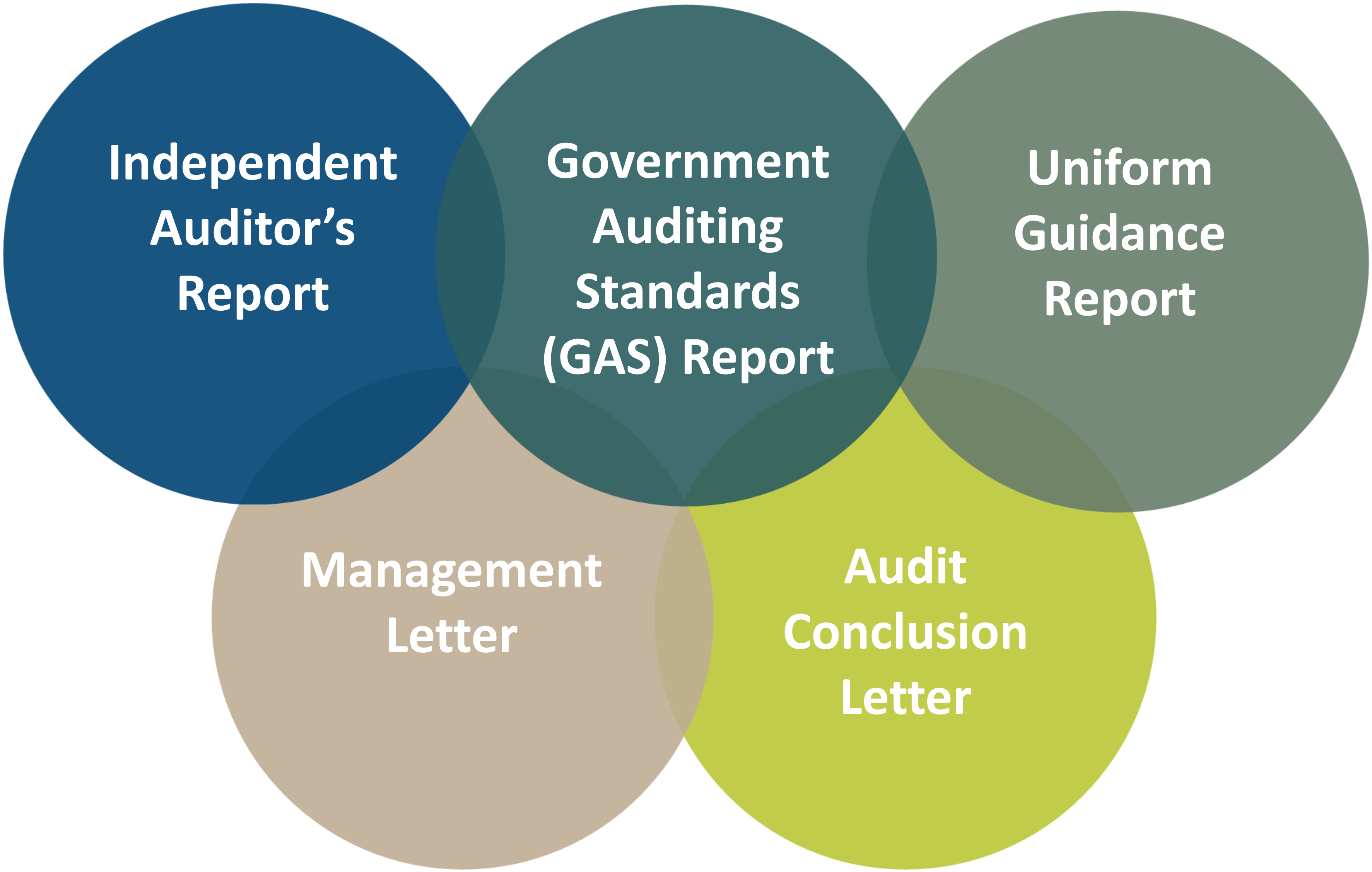
Audit Timeline & Process

- **July 2025**- Interim Audit Phase
  - Planning – risk assessment, review of Board minutes, management inquiry
  - Documentation of financial processes and testing of internal controls
    - Cash Receipts
    - Disbursements
    - HR & Payroll
    - Journal entries, bank reconciliations, financial reporting

Audit Timeline & Process

- **September 2025** Year End Audit Fieldwork
  - Testing of Final Year-End Balances and Activity
    - Confirmation of balances
    - Cut-off testing –payables
    - Detail tests of transactions
    - Analytical review
  - Single Audit – Audit of Federal grant expenditures in accordance with the Uniform Guidance
  - Financial Statement Preparation

Reporting the Results of the Audit



Audit Results – Financial Statements

- **Independent Auditor's Report**
  - Types of opinions: Unmodified, qualified, adverse, and disclaimer
  - June 30, 2025: **Unmodified** ("Clean") Audit Opinion
    - No material misstatements
    - Financial statements are presented in accordance with GAAP

Audit Reporting – *Government Auditing Standards*

- Types of Findings: Material Weakness, Significant Deficiency, & Compliance
  - Material Weakness - none
  - Significant Deficiency – none reported
  - Compliance Exceptions – none

Audit Reporting – Uniform Guidance

- Uniform Guidance (Federal Single Audit) Report
  - Required when an entity expends more than $750,000 in Federal grant funds
  - Major Program Tested:
    - Lake Tahoe Erosion Control Program (AL 10.690)
  - **Unmodified** (“clean”) audit opinion on the major program
    - No material weaknesses
    - No reported significant deficiencies
    - No compliance exceptions

Audit Reporting – Management Letter

- Management letter reports *control deficiencies* or recommendations for improvement
  - Inventory – unit price did not agree to invoice
  - Capital assets – physical inventory

Audit Reporting – Conclusion Letter

- Communication with Those Charged with Governance
  - **New Accounting Policies**
    - GASB 101, *Compensated Absences* - revises the definition of compensated absences for various types of leave
  - **Significant Changes in Disclosures**
    - None
  - **Accounting Estimates**
    - Depreciation
    - Net pension liability
    - Right-of-use SBITA assets and related liabilities (Subscription Based Information Technology Arrangements)

Audit Reporting – Conclusion Letter

- **Difficulties Encountered in Performing the Audit**
  - None
- **Disagreements with Management**
  - None
- **Audit Adjustments**
  - No audit adjustments as a result of audit procedures
  - 1 passed audit adjustment – inventory valuation

Summary of Audit Results

Unmodified Opinion on the Financial Statements

No Significant Audit Findings or Compliance Exceptions

Unmodified Opinion on the Major Federal Program

2 Recommendations for Improvement

No Audit Adjustments
1 Passed Adjustment

Other Items

- **Single Audit Filing with the Federal Audit Clearinghouse**
  - Earlier of 30 calendar days after receiving the audit report or 9 months after fiscal year-end
- **North Tahoe Building Corp Form 990 preparation in process**
  - Extension filed
- **Annual Financial Transactions Report**
  - Preparation and submission to the State Controller's Office in process

Thank you.

Erica Pastor, CPA

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NORTH TAHOE
PUBLIC UTILITY DISTRICT

DATE: January 13, 2026 **ITEM:** G-3

FROM: Finance Department

SUBJECT: Review, Discuss, and Possibly Provide Direction on the District's CalPERS Unfunded Pension Liability Obligation and California Employers' Pension Prefunding Trust (Section 115 Trust)

RECOMMENDATION:

Acknowledge Finance Committee's and staff's recommendation to take no action regarding the District's CalPERS unfunded pension liability obligation and Section 115 Trust.

DISCUSSION:

CalPERS Unfunded Pension Liability

By policy, the District targets a funding balance annually of at least 98%. According to the latest actuarial report from CalPERS (dated June 30, 2024), the Pension Plan is funded at approximately 96.4% based on the Plan's unfunded accrued liability calculated from the Pension Plan's unrecorded liability of $14,712,542 less the Pension Plan's share of pool's market value of assets of $14,189,207. The amount to bring the reserve up to the 98% target, which was created by District policy, is $229,084.

However, according to the CalPERS actuarial report (which provides the Required Contributions for the Fiscal Year July 1, 2026 to June 30, 2027), the District currently has no required funding obligation. Moreover, the District is scheduled to be in a surplus funding situation of $477,529 and $477,961 for FYE 26 and FYE 27, respectively.

Please refer to an excerpt from the Actuary report below:

	Balance 6/30/2024	Expected Payment FYE 25	Balance 6/30/2025	Expected Payment FYE 26	Balance 6/30/2026	Expected Payment FYE 27
Projected Liability/(Surplus)	$ 523,335	$ (973,833)	$ (447,529)	$ -	$ (477,961)	$ -

Given the surplus projected by the actuary for the entire plan, the District's policy including a target, and the projected results by the actuary; the Finance Committee and District staff do not recommend any additional funding for the Unfunded Pension Liability this fiscal year.

CalPERS Section 115 Trust

Related to the CalPERS Pension Plan, the District maintains a prefunded account via the Section 115 Trust. As background, this Trust account retains funding reserved for future funding for CalPERs and can be applied against both the wage matching component (portion required as match for bi-weekly payroll) and the unfunded liability component (portion that can become due annually). The decision to utilize the Section 115 Trust is solely at the election of the District. As of June 30, 2025, the Trust balance was $483,185, compared with $444,799 in the prior year. The balance as of September 30, 2025, was $499,677. The District's anticipated "wage-matching" requirement for FYE 2026 is approximately $522,000, resulting in a current shortfall of about $22,000.

Given that the surplus projected by the actuary for the entire CalPERS plan as well as comparing the targeted returns of the restricted use Section 115 Trust relative to those of the District's more flexible investment vehicles, the Finance Committee and District staff do not recommend additional funding of the Section 115 Trust account this fiscal year.

STRATEGIC PLAN ALIGNMENT:

Goal 3: Enhance District governance and partnerships – Objective A: Maintain best practices in public agency governance throughout all levels of the District; and – Objective B: Ensure financial sustainability of the District.

ATTACHMENTS:

- CalPERS Actuarial Report Summary and Recommendations Presentation
- CalPERS Actuarial Report dated June 30, 2024

MOTION: No formal action is required by the Board of Directors for this item.

REVIEW TRACKING:

Submitted By: ____________	Approved By: ____________
Patrick Grimes	Bradley A. Johnson, P.E.
Chief Financial Officer	General Manager/CEO

California Public Employees' Retirement System

Actuarial Valuation for the Rate Plans of the North Tahoe Public Utility District in the Miscellaneous Risk Pool

as of June 30, 2024

(CalPERS ID: 4563533857)
(Rate Plan IDs: 8943, 26927)

Required Contributions for Fiscal Year

July 1, 2026 — June 30, 2027

CalPERS

Table of Contents

Section 1

California Public Employees' Retirement System

Employer Specific Information
for the
Rate Plans of the
North Tahoe Public Utility District
in the Miscellaneous Risk Pool

(CalPERS ID: 4563533857)
(Rate Plan IDs: 8943, 26927)

Table of Contents — Section 1

Actuarial Certification

It is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles as well as the applicable Standards of Practice promulgated by the Actuarial Standards Board. While this report, consisting of Section 1 and Section 2, is intended to be complete, our office is available to answer questions as needed. All of the undersigned are actuaries who satisfy the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries with regard to pensions.

Actuarial Methods and Assumptions

It is our opinion that the assumptions and methods, as recommended by the Chief Actuary and adopted by the CalPERS Board of Administration, are internally consistent and reasonable for this plan.

Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS

Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

Actuarial Data and Rate Plan Results

To the best of my knowledge and having relied upon the attestation above that the actuarial methods and assumptions are reasonable as well as the information in Section 2 of this report, this report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the rate plans of the North Tahoe Public Utility District in the Miscellaneous Risk Pool and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation and related validation work was performed by the CalPERS Actuarial Office. The valuation was based on the member and financial data as of June 30, 2024, provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for North Tahoe Public Utility District, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Risk Pool to which the plan belongs.

Kelly Sturm, ASA, MAAA
Supervising Actuary, CalPERS

Highlights and Executive Summary

Introduction

This report presents the results of the June 30, 2024, actuarial valuation of the rate plans of the North Tahoe Public Utility District in the Miscellaneous Risk Pool of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the minimum required contributions for fiscal year (FY) 2026-27.

Purpose of Section 1

This Section 1 report for the rate plans of the North Tahoe Public Utility District in the Miscellaneous Risk Pool of CalPERS was prepared by the Actuarial Office using data as of June 30, 2024. This report contains actuarial information for the following rate plan(s).

- 8943, Miscellaneous Plan
- 26927, PEPRA Miscellaneous Plan

The purpose of the valuation is to:

- Set forth the assets and accrued liabilities of these rate plans as of June 30, 2024;
- Determine the minimum required employer contributions for these rate plans for FY July 1, 2026, through June 30, 2027;
- Determine the required member contribution rate for FY July 1, 2026, through June 30, 2027, for employees subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA); and
- Provide actuarial information as of June 30, 2024, to the CalPERS Board of Administration (board) and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available on the CalPERS website (www.calpers.ca.gov).

The measurements shown in this actuarial valuation may not be applicable for other purposes. The agency should contact a CalPERS actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; changes in plan provisions or applicable law; and differences between the required contributions determined by the valuation and the actual contributions made by the agency.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the guidance of the Actuarial Standards of Practice:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.
- The funded status on a termination basis.
- A low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date.

Summary of Key Valuation Results

Below is a brief summary of key valuation results along with page references where more detailed information can be found.

Required Employer Contributions — page 8

	Fiscal Year 2025-26	Fiscal Year 2026-27
Employer Normal Cost Rates		
Rate Plan 8943	11.94%	11.92%
Rate Plan 26927	7.96%	7.93%
Unfunded Accrued Liability (UAL) Contribution Amount	$39,253	$0
Paid either as		
Option 1) 12 Monthly Payments of	$3,271.08	$0.00
Option 2) Annual Prepayment in July	$37,982	$0

Member Contribution Rates — page 9

	Fiscal Year 2025-26	Fiscal Year 2026-27
Rate Plan 8943	7.00%	7.00%
Rate Plan 26927	7.75%	7.75%

Projected Employer Contributions — page 13

	Normal Cost (% of payroll)		Annual
Fiscal Year	Rate Plan 8943	Rate Plan 26927	UAL Payment
2027-28	11.9%	7.9%	$0
2028-29	11.9%	7.9%	$0
2029-30	11.9%	7.9%	$0
2030-31	11.9%	7.9%	$0
2031-32	11.9%	7.9%	$0

Funded Status — Funding Policy Basis — page 11

	June 30, 2023	June 30, 2024
Entry Age Accrued Liability (AL)	$13,234,742	$14,712,542
Market Value of Assets (MVA)	11,998,688	14,189,207
Unfunded Accrued Liability (UAL) [AL – MVA]	$1,236,054	$523,335
Funded Ratio [MVA ÷ AL]	90.7%	96.4%

Summary of Valuation Data — Page 27

	June 30, 2023	June 30, 2024
Active Member Count	50	49
Annual Covered Payroll	$4,790,249	$5,046,767
Transferred Member Count	2	2
Separated Member Count	17	18
Retired Members and Beneficiaries Count	20	21

Changes Since the Prior Year's Valuation

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. For pooled rate plans, voluntary benefit changes by plan amendment are generally included in the first valuation with a valuation date on or after the effective date of the amendment.

Please refer to the Plan's Major Benefit Options in this report and Appendix B of the Section 2 Report for a summary of the plan provisions used in this valuation.

Board Policy

On April 16, 2024, the board took action to modify the Funding Risk Mitigation Policy to remove the automatic change to the discount rate when the investment return exceeds various thresholds. Rather than an automatic change to the discount rate, a board discussion would be placed on the calendar. The 95th percentile return in the Future Investment Return Scenarios exhibit in this report, which includes returns high enough to trigger a board discussion, does not reflect any change in the discount rate.

Actuarial Methods and Assumptions

There are no significant changes to the actuarial methods or assumptions for the June 30, 2024, actuarial valuation.

Report Enhancements

Effective with the June 30, 2024, Actuarial Valuation, separate amortization schedules for each tier of benefits are no longer necessary. Multiple amortization schedules, and thus multiple Section 1 reports, will be combined. We believe this gives the employer a clearer picture of the pension plan's financial health and long-term costs.

Subsequent Events

This actuarial valuation report reflects fund investment return through June 30, 2024, as well as statutory changes, regulatory changes and board actions through January 2025.

CalPERS will be completing an Asset Liability Management (ALM) review process in November 2025 that will review the capital market assumptions and the CalPERS Total Fund Investment Policy and ascertain whether a change in the discount is warranted. In addition, the Actuarial Office will be presenting the findings of its Experience Study which reviews economic assumptions other than the discount rate as well as all demographic assumptions and makes recommendations to modify actuarial assumptions where appropriate. Any changes in actuarial assumptions will be reflected in the June 30, 2025, actuarial valuations.

The 2024 annual benefit limit under Internal Revenue Code (IRC) section 415(b) and annual compensation limits under IRC section 401(a)(17) and Government Code section 7522.10 were used for this valuation and are assumed to increase 2.3% per year based on the price inflation assumption. The actual 2025 limits, determined in October 2024, are not reflected.

To the best of our knowledge, there have been no other subsequent events that could materially affect current or future certifications rendered in this report.

Liabilities and Contributions

Determination of Required Contributions

Contributions to fund the plan are determined by an actuarial valuation performed each year. The valuation employs complex calculations based on a set of actuarial assumptions and methods. See Appendix A in Section 2 for information on the assumptions and methods used in this valuation. The valuation incorporates all plan experience through the valuation date and sets required contributions for the fiscal year that begins two years after the valuation date.

Contribution Components

Two components comprise required contributions:

- Normal Cost — expressed as a percentage of pensionable payroll
- Unfunded Accrued Liability (UAL) Contribution — expressed as a dollar amount

Normal Cost represents the value of benefits allocated to the upcoming year for active employees. If all plan experience exactly matched the actuarial assumptions, normal cost would be sufficient to fully fund all benefits. The employer and employees each pay a share of the normal cost with contributions payable as part of the regular payroll reporting process. The contribution rate for Classic members is set by statute based on benefit formula whereas for PEPRA members it is based on 50% of the total normal cost.

When plan experience differs from the actuarial assumptions, UAL emerges. The new UAL may be positive or negative. If the total UAL is positive (i.e., accrued liability exceeds assets), the employer is required to make contributions to pay off the UAL over time. This is called the UAL Contribution component. There is an option to prepay this amount during July of each fiscal year, otherwise it is paid monthly.

In measuring the UAL each year, plan experience is split by source. Common sources of UAL include investment experience different than expected, non-investment experience different than expected, assumption changes and benefit changes. Each source of UAL (positive or negative) forms a base that is amortized, or paid off, over a specified period of time in accordance with the CalPERS Actuarial Amortization Policy. The UAL Contribution is the sum of the payments on all bases. See the Schedule of Amortization Bases section of this report for an inventory of existing bases and Appendix A in Section 2 for more information on the amortization policy.

Required Employer Contributions

The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees. For employee contribution rates, see Member Contribution Rates.

Required Employer Contributions	**Fiscal Year 2026-27**
Employer Normal Cost Rate	
Classic Rate Plan 8943	**11.92%**
PEPRA Rate Plan 26927	**7.93%**
Plus	
Unfunded Accrued Liability (UAL) Contribution Amount†	**$0**
Paid either as	
1) Monthly Payment	**$0.00**
Or	
2) Annual Prepayment Option‡	**$0**

The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) and the Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).

†The required payment on amortization bases does not take into account any additional discretionary payment made after April 30, 2025.

‡Only the UAL portion of the employer contribution can be prepaid **(which must be received in full no later than July 31)**.

Development of Normal Cost as a Percentage of Payroll

	Fiscal Year 2025-26	**Fiscal Year 2026-27**
Classic Rate Plan 8943		
Base Total Normal Cost for Formula	18.87%	18.85%
Surcharge for Class 1 Benefits[1]	0.00%	0.00%
Plan's Total Normal Cost	18.87%	18.85%
Offset Due to Employee Contributions[2]	(6.93%)	(6.93%)
Employer Normal Cost for Rate Plan 8943	11.94%	11.92%
PEPRA Rate Plan 26927		
Base Total Normal Cost for Formula	15.71%	15.68%
Surcharge for Class 1 Benefits[1]	0.00%	0.00%
Plan's Total Normal Cost	15.71%	15.68%
Offset Due to Employee Contributions[2]	(7.75%)	(7.75%)
Employer Normal Cost for Rate Plan 26927	7.96%	7.93%

[1] See Surcharge for Class 1 Benefits in the supplementary information section of this report.

[2] This is the expected employee contributions, taking into account individual benefit formula and any offset from the use of a modified formula, divided by projected annual payroll. For member contribution rates above the breakpoint for each benefit formula, see Member Contribution Rates.

Member Contribution Rates

The required member contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.

Classic Members

Each member contributes toward their retirement based upon the retirement formula. The standard Classic member contribution rate above the breakpoint, if any, is as described below.

Benefit Formula	Percent Contributed above the Breakpoint
Miscellaneous, 1.5% at age 65	2%
Miscellaneous, 2% at age 60	7%
Miscellaneous, 2% at age 55	7%
Miscellaneous, 2.5% at age 55	8%
Miscellaneous, 2.7% at age 55	8%
Miscellaneous, 3% at age 60	8%

Auxiliary organizations of the CSU system may elect reduced contribution rates for Miscellaneous members, in which case the contribution rate above the breakpoint is 6% if members are not covered by Social Security and 5% if they are.

PEPRA Members

The California Public Employees' Pension Reform Act of 2013 (PEPRA) established new benefit formulas, final compensation period, and contribution requirements for "new" employees (generally those first hired into a CalPERS-covered position on or after January 1, 2013). In accordance with Government Code Section 7522.30(b), "new members … shall have an initial contribution rate of at least 50% of the normal cost rate." The normal cost rate for the plan is dependent on the benefit levels, actuarial assumptions and demographics of the risk pool, particularly members' entry age. Should the total normal cost rate of the plan change by more than 1% from the base total normal cost rate established for the plan, the new member rate shall be 50% of the new normal cost rate rounded to the nearest quarter percent.

The table below shows the determination of the PEPRA member contribution rates effective July 1, 2026, based on 50% of the total normal cost rate as of the June 30, 2024, valuation.

		Basis for Current Rate		Rates Effective July 1, 2026			
Rate Plan Identifier	Benefit Group Name	Total Normal Cost	Member Rate	Total Normal Cost	Change in Normal Cost	Adj. Needed	Member Rate
26927	PEPRA Miscellaneous Plan	15.43%	7.75%	15.68%	0.25%	No	7.75%

Breakdown of Entry Age Accrued Liability

Active Members	$8,874,820
Transferred Members	481,801
Separated Members	1,241,249
Members and Beneficiaries Receiving Payments	4,114,672
Total	$14,712,542

Allocation of Plan's Share of Pool's Experience

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1.	Plan's Accrued Liability	$14,712,542
2.	Projected UAL Balance at 6/30/2024	682,806
3.	Other UAL Adjustments (Golden Handshake, Prior Service Purchase, etc.)	0
4.	Adjusted UAL Balance at 6/30/2024 for Asset Share	1,083,136
5.	Pool's Accrued Liability[1]	24,701,567,178
6.	Sum of Pool's Individual Plan UAL Balances at 6/30/2024[1]	5,686,499,631
7.	Pool's 2023-24 Investment (Gain)/Loss[1]	(476,088,386)
8.	Pool's 2023-24 Non-Investment (Gain)/Loss[1]	305,188,638
9.	Plan's Share of Pool's Investment (Gain)/Loss: [(1) - (4)] ÷ [(5) - (6)] × (7)	(341,245)
10.	Plan's Share of Pool's Non-Investment (Gain)/Loss: (1) ÷ (5) × (8)	181,774
11.	Plan's New (Gain)/Loss as of 6/30/2024: (9) + (10)	(159,471)
12.	Increase in Pool's Accrued Liability due to Change in Assumptions[1]	0
13.	Plan's Share of Pool's Change in Assumptions: (1) ÷ (5) × (12)	0
14.	Increase in Pool's Accrued Liability due to Funding Risk Mitigation[1]	0
15.	Plan's Share of Pool's Change due to Funding Risk Mitigation: (1) ÷ (5) × (14)	0
16.	Offset due to Funding Risk Mitigation	0
17.	Plan's Investment (Gain)/Loss: (9) – (16)	(341,245)

[1] Does not include plans that transferred to the pool on the valuation date.

Development of the Plan's Share of Pool's Assets

18.	Plan's UAL: (2) + (3) + (11) + (13) + (15)	$523,335
19.	Plan's Share of Pool's Market Value of Assets (MVA): (1) - (18)	$14,189,207

For a reconciliation of the pool's Market Value of Assets (MVA), information on the fund's asset allocation and a history of CalPERS investment returns, see Section 2, which can be found on the CalPERS website (www.calpers.ca.gov).

Funded Status – Funding Policy Basis

The table below provides information on the current funded status of the plan under the funding policy. The funded status for this purpose is based on the market value of assets relative to the funding target produced by the entry age actuarial cost method and actuarial assumptions adopted by the board. The actuarial cost method allocates the total expected cost of a member's projected benefit (**Present Value of Benefits**) to individual years of service (the **Normal Cost**). The value of the projected benefit that is not allocated to future service is referred to as the Accrued Liability and is the plan's funding target on the valuation date. The **Unfunded Accrued Liability** (UAL) equals the funding target minus the assets. The UAL is an absolute measure of funded status and can be viewed as employer debt. The **Funded Ratio** equals the assets divided by the funding target. The funded ratio is a relative measure of the funded status and allows for comparisons between plans of different sizes.

	June 30, 2023	**June 30, 2024**
1. Present Value of Benefits	$20,268,315	$22,018,915
2. Entry Age Accrued Liability	13,234,742	14,712,542
3. Market Value of Assets (MVA)	11,998,688	14,189,207
4. Unfunded Accrued Liability (UAL) [(2) – (3)]	$1,236,054	$523,335
5. Funded Ratio [(3) ÷ (2)]	90.7%	96.4%

A funded ratio of 100% (UAL of $0) implies that the funding of the plan is on target and that future contributions equal to the normal cost of the active plan members will be sufficient to fully fund all retirement benefits if future experience matches the actuarial assumptions. A funded ratio of less than 100% (positive UAL) implies that in addition to normal costs, payments toward the UAL will be required. Plans with a funded ratio greater than 100% have a negative UAL (or surplus) but are required under current law to continue contributing the normal cost in most cases, preserving the surplus for future contingencies.

Calculations for the funding target reflect the expected long-term investment return of 6.8%. If it were known on the valuation date that future investment returns will average something greater/less than the expected return, calculated normal costs and accrued liabilities provided in this report would be less/greater than the results shown. Therefore, for example, if actual average future returns are less than the expected return, calculated normal costs and UAL contributions will not be sufficient to fully fund all retirement benefits. Under this scenario, required future normal cost contributions will need to increase from those provided in this report, and the plan will develop unfunded liabilities that will also add to required future contributions. For illustrative purposes, funded statuses based on a 1% lower and higher average future investment return (discount rate) are as follows:

	1% Lower Average Return	**Current Assumption**	**1% Higher Average Return**
Discount Rate	5.8%	6.8%	7.8%
1. Entry Age Accrued Liability	$16,929,742	$14,712,542	$12,880,894
2. Market Value of Assets (MVA)	14,189,207	14,189,207	14,189,207
3. Unfunded Accrued Liability (UAL) [(1) – (2)]	$2,740,535	$523,335	($1,308,313)
4. Funded Ratio [(2) ÷ (1)]	83.8%	96.4%	110.2%

The Risk Analysis section of the report provides additional information regarding the sensitivity of valuation results to the expected investment return and other factors. Also provided in that section are measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities.

Additional Employer Contributions

The CalPERS amortization policy provides a systematic methodology for paying down a plan's unfunded accrued liability (UAL) over a reasonable period of years. The projected schedule of required payments for this plan under the amortization policy is provided in Amortization Schedule and Alternatives. Certain aspects of the policy such as 1) layered amortization bases (positive and negative) with different remaining payoff periods, and 2) the phase-in of required payments toward investment gains and losses, can result in volatility in year-to-year projected UAL payments.

No Required UAL Payment

As of the valuation date, June 30, 2024 , the projected UAL two years after the valuation date is negative, as shown in the Schedule of Amortization Bases, so no UAL payment is required in FY 2026-27. Depending on factors such as the funded status of the plan, the financial condition of the employer and the investment return of the PERF since the valuation date, an ADP s till may be worthwhile. Agencies considering making an ADP should contact CalPERS for additional information.

Additional Discretionary Payment History

The following table provides a recent history of actual ADPs made to the plan through April 30, 2025.

Fiscal Year	ADP	Fiscal Year	ADP
2019-20	$0	2022-23	$0
2020-21	0	2023-24	621,207
2021-22	380,209	2024-25	971,369

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2024-25 is assumed to be 6.80% per year, net of investment and administrative expenses. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

The normal cost rates for each rate plan are assumed to remain constant. However, the employer contribution amounts will vary due to changes in payroll. The actuarial valuation does not include payroll beyond the valuation date. For the most realistic projections, the employer should apply projected payroll amounts to the rates below based on the most recent information available, such as current payroll as well as any plans to fill vacancies or add or remove positions.

Rate Plan Identifier	Covered Payroll June 30, 2024	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2024-25 and Beyond)				
		2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
		Normal Cost Rates (Percentage of Payroll)					
8943	$1,622,195	11.92%	11.9%	11.9%	11.9%	11.9%	11.9%
26927	3,424,572	7.93%	7.9%	7.9%	7.9%	7.9%	7.9%
	UAL Payment	$0	$0	$0	$0	$0	$0

Unlike the normal cost rates, the required UAL payments are expected to vary significantly from the projections above due to experience, particularly investment experience. For projected contributions under alternate investment return scenarios, please see the Future Investment Return Scenarios exhibit. Our online pension plan projection tool, Pension Outlook, is available in the Employers section of the CalPERS website. Pension Outlook can help plan and budget pension costs under various scenarios.

For ongoing plans, investment gains and losses are amortized using an initial 5-year ramp. For more information, please see Amortization of Unfunded Actuarial Accrued Liability in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large investment loss, the relatively small amortization payments during the initial ramp period could result in contributions that are less than interest on the UAL (i.e. negative amortization) while the contribution impact of the increase in the UAL is phased in.

Schedule of Amortization Bases

Below is the schedule of the plan's amortization bases. Note that there is a two-year lag between the valuation date and the start of the contribution year.

- The assets, liabilities and funded status of the plan are measured as of the valuation date: June 30, 2024.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: FY 2026-27.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment on the UAL for FY 2024-25 is based on the actuarial valuation two years ago, adjusted for additional discretionary payments made on or before April 30, 2025, if necessary, and the expected payment for FY 2025-26 is based on the actuarial valuation one year ago.

Reason for Base	Date Est.	Ramp Level 2026-27	Ramp Shape	Escala-tion Rate	Amort. Period	Balance 6/30/24	Expected Payment 2024-25	Balance 6/30/25	Expected Payment 2025-26	Balance 6/30/26	Minimum Required Payment 2026-27
Projected Surplus	6/30/24		No Ramp	0.00%	N/A	523,335	973,883	(447,529)	0	(477,961)	0
Total						**523,335**	**973,883**	**(447,529)**	**0**	**(477,961)**	**0**

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed in Allocation of Plan's Share of Pool's Experience earlier in this report. These (gain)/loss bases will be amortized in accordance with the CalPERS amortization policy in effect at the time the base was established.

Amortization Schedule and Alternatives

The amortization schedule on the previous page(s) shows the minimum contributions required according to the CalPERS amortization policy. Each year, many agencies express a desire for a more stable pattern of payments or indicate interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. To initiate a fresh start, please contact a CalPERS actuary.

The current amortization schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over an appropriate period.

The current amortization schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS Actuarial Amortization Policy.

Amortization Schedule and Alternatives (continued)

	Current Amortization Schedule		Alternative Schedules			
			Alternative Schedule 1		Alternative Schedule 2	
Date	**Balance**	**Payment**	**Balance**	**Payment**	**Balance**	**Payment**
6/30/2026	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2027						
6/30/2028						
6/30/2029						
6/30/2030						
6/30/2031						
6/30/2032						
6/30/2033						
6/30/2034						
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6/30/2041						
6/30/2042						
6/30/2043						
6/30/2044						
6/30/2045						
6/30/2046						
6/30/2047						
6/30/2048						
6/30/2049						
Total		**N/A**		**N/A**		**N/A**
Interest Paid		**N/A**		**N/A**		**N/A**
Estimated Savings				**N/A**		**N/A**

Employer Contribution History

The table below provides a recent history of the employer contribution requirements for the plan, as determined by the annual actuarial valuation. Changes due to prepayments or plan amendments after the valuation report was finalized are not reflected.

		Employer Normal Cost Rate		
Valuation Date	Contribution Year	Rate Plan 8943	Rate Plan 26927	Unfunded Liability Payment
06/30/2015	2017-18	8.418%	6.533%	$8,729
06/30/2016	2018-19	8.892%	6.842%	18,811
06/30/2017	2019-20	9.680%	6.985%	31,892
06/30/2018	2020-21	10.484%	7.732%	7,806
06/30/2019	2021-22	10.34%	7.59%	16,675
06/30/2020	2022-23	10.32%	7.47%	30,750
06/30/2021	2023-24	11.84%	7.68%	0
06/30/2022	2024-25	11.88%	7.87%	34,287
06/30/2023	2025-26	11.94%	7.96%	39,253
06/30/2024	2026-27	11.92%	7.93%	0

Funding History

The table below shows the recent history of the actuarial accrued liability, share of the pool's market value of assets, unfunded accrued liability, funded ratio and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2015	$3,008,153	$2,777,976	$230,177	92.3%	$2,925,552
06/30/2016	3,747,696	3,225,730	521,966	86.1%	3,118,357
06/30/2017	5,032,203	4,540,984	491,219	90.2%	3,374,227
06/30/2018	6,537,891	5,795,062	742,829	88.6%	3,248,856
06/30/2019	7,489,971	7,203,378	286,593	96.2%	3,514,949
06/30/2020	9,031,231	8,470,397	560,834	93.8%	3,884,233
06/30/2021	9,917,160	10,446,463	(529,303)	105.3%	3,989,473
06/30/2022	11,290,140	10,443,131	847,009	92.5%	4,272,558
06/30/2023	13,234,742	11,998,688	1,236,054	90.7%	4,790,249
06/30/2024	14,712,542	14,189,207	523,335	96.4%	5,046,767

Risk Analysis

Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer UAL contributions. The CalPERS Funding Risk Mitigation Policy stipulates that when the investment return exceeds the discount rate by at least 2% the board will consider adjustments to the discount rate. The projections below use a discount rate of 6.8% for all scenarios even though an annual return of 10.8% is high enough to trigger a board discussion on the discount rate. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The employer normal cost rates are not affected by Investment returns, and since no future assumption changes are being reflected, the projected employer normal cost rates for every future investment return scenario are the same as those shown earlier in this report. See Projected Employer Contributions for more information on projecting the employer normal cost.

The first table shows projected UAL contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2044.

Assumed Annual Return FY 2024-25 through FY 2043-44	Projected Employer UAL Contributions				
	2027-28	2028-29	2029-30	2030-31	2031-32
3.0% (5th percentile)	$2,200	$18,000	$48,000	$92,000	$150,000
10.8% (95th percentile)	$0	$0	$0	$0	$0

Required UAL contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of one and two standard deviation investment losses in FY 2024-25 on the FY 2027-28 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2027-28.

Assumed Annual Return for Fiscal Year 2024-25	Required Employer UAL Contributions	Projected Employer UAL Contributions
	2026-27	2027-28
(17.2%) (2 standard deviation loss)	$0	$72,000
(5.2%) (1 standard deviation loss)	$0	$31,000

- Without investment gains (returns higher than 6.8%) in FY 2025-26 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2024-25.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2027-28 as well as to model other investment return scenarios.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2024, assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Discount Rate Due to Varying the Real Rate of Return Assumption

As of June 30, 2024	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	2.3%	2.3%	2.3%
Real Rate of Return	**3.5%**	**4.5%**	**5.5%**
a) Total Normal Cost			
Rate Plan 8943	23.72%	18.85%	15.14%
Rate Plan 26927	19.63%	15.68%	12.68%
b) Accrued Liability	$16,929,742	$14,712,542	$12,880,894
c) Market Value of Assets	$14,189,207	$14,189,207	$14,189,207
d) Unfunded Liability/(Surplus) [(b) - (c)]	$2,740,535	$523,335	($1,308,313)
e) Funded Ratio	83.8%	96.4%	110.2%

Sensitivity to the Discount Rate Due to Varying the Price Inflation Assumption

As of June 30, 2024	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	**1.3%**	**2.3%**	**3.3%**
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost			
Rate Plan 8943	19.76%	18.85%	17.21%
Rate Plan 26927	16.54%	15.68%	14.26%
b) Accrued Liability	$15,352,444	$14,712,542	$13,490,531
c) Market Value of Assets	$14,189,207	$14,189,207	$14,189,207
d) Unfunded Liability/(Surplus) [(b) - (c)]	$1,163,237	$523,335	($698,676)
e) Funded Ratio	92.4%	96.4%	105.2%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2024, plan costs and funded status under two different longevity scenarios, namely assuming rates of post-retirement mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of a change in the mortality assumption.

As of June 30, 2024	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost			
Rate Plan 8943	19.17%	18.85%	18.55%
Rate Plan 26927	15.95%	15.68%	15.43%
b) Accrued Liability	$15,026,698	$14,712,542	$14,423,073
c) Market Value of Assets	$14,189,207	$14,189,207	$14,189,207
d) Unfunded Liability/(Surplus) [(b) - (c)]	$837,491	$523,335	$233,866
e) Funded Ratio	94.4%	96.4%	98.4%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions.

Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures include only the rate plans covered in this report. One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio increases. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2023	June 30, 2024
1. Retiree Accrued Liability	$3,976,627	$4,114,672
2. Total Accrued Liability	$13,234,742	$14,712,542
3. Ratio of Retiree AL to Total AL [(1) ÷ (2)]	30%	28%

Another measure of the maturity level of CalPERS and its plans is the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above.

For comparison, the support ratio for all CalPERS public agency plans as of June 30, 2023, was 0.78 and was calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	June 30, 2023	June 30, 2024
1. Number of Actives	50	49
2. Number of Retirees	20	21
3. Support Ratio [(1) ÷ (2)]	2.50	2.33

Maturity Measures (continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary increases, investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have a higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an AVR of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an AVR of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as a plan matures.

Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with an LVR of 8 is expected to have twice the contribution volatility of a plan with an LVR of 4 when there is a change in accrued liability, such as when there is a change in actuarial assumptions. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	June 30, 2023	June 30, 2024
1. Market Value of Assets	$11,998,688	$14,189,207
2. Payroll	$4,790,249	$5,046,767
3. Asset Volatility Ratio (AVR) [(1) ÷ (2)]	2.5	2.8
4. Accrued Liability	$13,234,742	$14,712,542
5. Liability Volatility Ratio (LVR) [(4) ÷ (2)]	2.8	2.9

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	7%	11.25	1.3	1.5
06/30/2018	18%	5.38	1.8	2.0
06/30/2019	27%	3.46	2.0	2.1
06/30/2020	24%	3.29	2.2	2.3
06/30/2021	24%	3.13	2.6	2.5
06/30/2022	29%	2.78	2.4	2.6
06/30/2023	30%	2.50	2.5	2.8
06/30/2024	28%	2.33	2.8	2.9

Funded Status – Termination Basis

The funded status measured on a termination basis is an estimated range for the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2024. The accrued liability on a termination basis (termination liability) is calculated differently from the plan's ongoing funding liability. For the termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees. Unlike the actuarial cost method used for ongoing plans, the termination liability is the present value of the benefits earned through the valuation date.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the remainder of the PERF and consequently, a lower discount rate assumption. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The discount rate used for actual termination valuations is a weighted average of the 10-year and 30-year Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the following analysis is based on 20-year Treasury bonds, which is a good proxy for most plans. The discount rate upon contract termination will depend on actual Treasury rates on the date of termination, which varies over time, as demonstrated below.

Valuation Date	20-Year Treasury Rate	Valuation Date	20-Year Treasury Rate
06/30/2015	2.83%	06/30/2020	1.18%
06/30/2016	1.86%	06/30/2021	2.00%
06/30/2017	2.61%	06/30/2022	3.38%
06/30/2018	2.91%	06/30/2023	4.06%
06/30/2019	2.31%	06/30/2024	4.61%

As Treasury rates are variable, the table below shows a range for the termination liability using discount rates 1% below and above the 20-year Treasury rate on the valuation date. The price inflation assumption is the 20-year Treasury breakeven inflation rate, that is, the difference between the 20-year inflation indexed bond and the 20-year fixed-rate bond.

The Market Value of Assets (MVA) also varies with interest rates and will fluctuate depending on other market conditions on the date of termination. Since it is not possible to approximate how the MVA will change in different interest rate environments, the results below use the MVA as of the valuation date.

	Discount Rate: 3.61% Price Inflation: 2.45%	Discount Rate: 5.61% Price Inflation: 2.45%
1. Termination Liability[1]	$21,735,208	$16,090,079
2. Market Value of Assets (MVA)	14,189,207	14,189,207
3. Unfunded Termination Liability [(1) – (2)]	$7,546,001	$1,900,872
4. Funded Ratio [(2) ÷ (1)]	65.3%	88.2%

[1] The termination liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A of the Section 2 report.

In order to terminate, first contact our Pension Contract Services unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow a CalPERS actuary to provide a preliminary termination valuation with a more up-to-date estimate of the plan's assets and liabilities. Before beginning this process, please consult with a CalPERS actuary.

Funded Status – Low-Default-Risk Basis

Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, requires the disclosure of a low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date using a discount rate based on the yields of high quality fixed income securities with cash flows that replicate expected benefit payments. Conceptually, this measure represents the level at which financial markets would value the accrued plan costs, and would be approximately equal to the cost of a portfolio of low-default-risk bonds with similar financial characteristics to accrued plan costs.

As permitted in ASOP No. 4, the Actuarial Office uses the Entry Age Actuarial Cost Method to calculate the LDROM. This methodology is in line with the measure of "benefit entitlements" calculated by the Bureau of Economic Analysis and used by the Federal Reserve to report the indebtedness due to pensions of plan sponsors and, conversely, the household wealth due to pensions of plan members.

As shown below, the discount rate used for the LDROM is 5.35%, which is the Standard FTSE Pension Liability Index[1] discount rate as of June 30, 2024.

Selected Measures on a Low-Default-Risk Basis	**June 30, 2024**
Discount Rate	5.35%
1. Accrued Liability – Low-Default-Risk Basis (LDROM)	
a) Active Members	$11,169,523
b) Transferred Members	625,626
c) Separated Members	1,556,289
d) Members and Beneficiaries Receiving Payments	4,727,795
e) Total	$18,079,233
2. Market Value of Assets (MVA)	14,189,207
3. Unfunded Accrued Liability – Low-Default-Risk Basis [(1e) – (2)]	$3,890,026
4. Unfunded Accrued Liability – Funding Policy Basis	523,335
5. Present Value of Unearned Investment Risk Premium [(3) – (4)]	$3,366,691

The difference between the unfunded liabilities on a low-default-risk basis and on the funding policy basis represents the present value of the investment risk premium that must be earned in future years to keep future contributions for currently accrued plan costs at the levels anticipated by the funding policy.

Benefit security for members of the plan relies on a combination of the assets in the plan, the investment income generated from those assets, and the ability of the plan sponsor to make necessary future contributions. If future returns fall short of 6.8%, benefit security could be at risk without higher than currently anticipated future contributions.

The funded status on a low-default-risk basis is not appropriate for assessing the sufficiency of plan assets to cover the cost of settling the plan's benefit obligations (see Funded Status – Termination Basis), nor is it appropriate for assessing the need for future contributions (see Funded Status – Funding Policy Basis).

[1] This index is based on a yield curve of hypothetical AA-rated zero-coupon corporate bonds whose maturities range from 6 months to 30 years. The index represents the single discount rate that would produce the same present value as discounting a standardized set of liability cash flows for a fully open pension plan using the yield curve. The liability cash flows are reasonably consistent with the pattern of benefits expected to be paid from the entire Public Employees' Retirement Fund for current and former plan members. A different index, hence a different discount rate, may be needed to measure the LDROM for a subset of the fund, such as a single rate plan or a group of retirees.

Supplementary Information

Normal Cost by Benefit Group

The table below displays the Total Normal Cost broken out by benefit group as of the valuation date, June 30, 2024. The Total Normal Cost is the annual cost of service accrual for the fiscal year for active employees and can be viewed as the long-term contribution rate for the benefits contracted. Generally, the normal cost for a benefit group subject to more generous benefit provisions will exceed the normal cost for a group with less generous benefits. Future measurements of the Total Normal Cost for each group may differ significantly from the current values due to such factors as: changes in economic and demographic assumptions, changes in plan benefits or applicable law.

Rate Plan Identifier	Benefit Group Name	Total Normal Cost as of June 30, 2024	Offset due to Employee Contributions as of June 30, 2024	Employer Normal Cost as of June 30, 2024	Number of Actives	Payroll on 6/30/2024
8943	Miscellaneous Plan	18.85%	6.93%	11.92%	15	$1,622,195
26927	PEPRA Miscellaneous Plan	15.68%	7.75%	7.93%	34	3,424,572
	Hypothetical Plan Totals[1]	*16.70%*	*7.49%*	*9.21%*	49	$5,046,767

[1] The hypothetical employer normal cost and contribution rates for the total plan are provided for illustrative purposes only and are based on the payroll as of the valuation date. This snapshot of the cost of providing benefits can be compared from one valuation date to the next as members retire from older tiers and are replaced by members in new tiers. The employer normal cost rate for contribution purposes varies by rate plan and applies to the covered payroll of members in each respective rate plan.

Note that if a Benefit Group above has multiple bargaining units, each of which has separately contracted for different benefits such as Employer Paid Member Contributions, then the Normal Cost shown for the respective benefit level does not reflect those differences.

Summary of Valuation Data

The table below shows a summary of the plan's member data upon which this valuation is based:

	June 30, 2023	June 30, 2024
Active Members		
Counts	50	49
Average Attained Age	N/A	49.7
Average Entry Age to Rate Plan	N/A	42.6
Average Years of Credited Service	N/A	7.2
Average Annual Covered Pay	$95,805	$102,995
Annual Covered Payroll	$4,790,249	$5,046,767
Present Value of Future Payroll	$40,453,327	$42,530,400
Transferred Members		
Counts	2	2
Separated Members		
Counts	17	18
Retired Members and Beneficiaries*		
Counts	20	21
Average Annual Benefits	$14,632	$14,781
Total Annual Benefits	$292,647	$310,399

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

* Values include community property settlements.

Status of PEPRA Transition

The California Public Employees' Pension Reform Act of 2013 (PEPRA), which took effect in January 2013, changed CalPERS retirement benefits and placed compensation limits on new members joining CalPERS on or after January 1, 2013. One of the objectives of PEPRA was to improve the ability of employers to manage the costs of retirement benefits for their members. While such changes can reduce future benefit costs in a meaningful way, the full impact on employer contributions will not occur until all active members are subject to the rules and provisions of PEPRA. The table below illustrates the status of this transition as of June 30, 2024.

	Classic	PEPRA	PEPRA as a Percent of Total
Active Members			
Count	15	34	69.4%
Average Attained Age	54.8	47.5	
Average Entry Age	41.2	43.2	
Average Years of Credited Service	13.7	4.3	
Average Annual Covered Payroll	$108,146	$100,723	
Annual Covered Payroll	$1,622,195	$3,424,572	67.9%
Present Value of Future Payroll	$11,114,600	$31,415,800	73.9%
Transferred Members			
Count	2	0	0.0%
Separated Members			
Count	7	11	61.1%
Retired Members and Beneficiaries Receiving Payments			
Count	19	2	9.5%
Average Annual Benefit	$15,389	$9,009	
Total Annual Benefits	$292,382	$18,017	5.8%
Accrued Liabilities			
Active Members	$5,689,679	$3,185,141	35.9%
Transferred Members	481,801	0	0.0%
Separated Members	1,099,379	141,870	11.4%
Retired Members and Beneficiaries	3,901,302	213,370	5.2%
Total	$11,172,161	$3,540,381	24.1%

Surcharge for Class 1 Benefits

This plan has the following Class 1 benefit provisions which result in the surcharges indicated:

Class 1 benefit provisions
None

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

Rate Plan 8943	**Benefit Group**	
Member Category	**Misc**	
Demographics		
Actives	Yes	
Transfers/Separated	Yes	
Receiving	Yes	
Benefit Provision		
Benefit Formula	2% @ 55	
Social Security Coverage	Yes	
Full/Modified	Full	
Employee Contribution Rate	7.00%	
Final Average Compensation Period	Three Year	
Sick Leave Credit	Yes	
Non-Industrial Disability	Standard	
Industrial Disability	No	
Pre-Retirement Death Benefits		
Optional Settlement 2	Yes	
1959 Survivor Benefit Level	No	
Special	No	
Alternate (firefighters)	No	
Post-Retirement Death Benefits		
Lump Sum	$2,000	
Survivor Allowance (PRSA)	No	
COLA	2%	

Plan's Major Benefit Options (Continued)

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

Rate Plan 26927	Benefit Group	
Member Category	**Misc**	
Demographics		
Actives	Yes	
Transfers/Separated	Yes	
Receiving	Yes	
Benefit Provision		
Benefit Formula	2% @ 62	
Social Security Coverage	Yes	
Full/Modified	Full	
Employee Contribution Rate	7.75%	
Final Average Compensation Period	Three Year	
Sick Leave Credit	Yes	
Non-Industrial Disability	Standard	
Industrial Disability	No	
Pre-Retirement Death Benefits		
Optional Settlement 2	Yes	
1959 Survivor Benefit Level	No	
Special	No	
Alternate (firefighters)	No	
Post-Retirement Death Benefits		
Lump Sum	$2,000	
Survivor Allowance (PRSA)	No	
COLA	2%	

Section 2

California Public Employees' Retirement System

Risk Pool Actuarial Valuation Information

Section 2 may be found on the
CalPERS website (www.calpers.ca.gov)
in the Forms & Publications section

NORTH TAHOE
PUBLIC UTILITY DISTRICT

DATE: January 13, 2026 **ITEM:** F-3

FROM: Finance Department

SUBJECT: Adopt Resolution 2026-01 – Establishing an Investment Policy for 2026

RECOMMENDATION:

The Board of Directors Adopt Resolution 2026-01, a Resolution of the Board of Directors of the North Tahoe Public Utility District establishing an Investment Policy for 2026.

DISCUSSION:

The State of California requires the North Tahoe Public Utility District to establish a policy for the investment of funds of the District and that the investment policy be written and reviewed annually by the District. This policy is used to direct the Treasurer in investing District's funds. The District has used a combination of Financial Institution Certificates of Deposit insured by the FDIC, Asset-Backed Securities, Mutual Funds, Government securities, as well as California's Local Agency Investment Fund (LAIF) and the California Cooperative Liquid Assets Securities System (CLASS).

FISCAL ANALYSIS:

In the fiscal year that ended June 30, 2025, the District earned approximately $422,755 in interest and investment earnings.

STRATEGIC PLAN ALIGNMENT:

Goal 3: Enhance District governance and partnerships – Objective A: Maintain best practices in public agency governance throughout all levels of the District – Tactic 1: Keep accurate and up-to-date ordinances and policies in alignment with best practices, laws, and regulations; and – Objective B: Ensure financial sustainability of the District – Tactic 1: Develop a long-term financial plan and projection, including operations, capital requirements, funding forecast, and debt funding options.

ATTACHMENTS: Resolution 2026-01

MOTION: Approve Staff Recommendation.

REVIEW TRACKING:

Submitted By: ______________	Approved By: ______________
Patrick Grimes	Bradley A. Johnson, P.E.
Chief Financial Officer	General Manager/CEO

RESOLUTION 2026-01
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH TAHOE PUBLIC UTILITY DISTRICT ESTABLISHING AN INVESTMENT POLICY FOR 2026

WHEREAS, the State of California requires the North Tahoe Public Utility District to establish a policy for investment of funds of the District; and

WHEREAS, the State of California requires that the investment policy be written and reviewed annually by the District,

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE NORTH TAHOE PUBLIC UTILITY DISTRICT declares the following:

1. That the investment policy stipulates the North Tahoe Public Utility District is to obtain maximum interest return, without arbitrage, with total safety of principal based on available cash as dictated by District cash flow requirements; and

2. That the investment activity of the North Tahoe Public Utility District shall be within the following approved instruments:

   Local Agency Investment Fund (State of California)
   California Cooperative Liquid Assets Securities System (CA CLASS)
   Placer County Treasurer's Investment Fund
   Financial Institution Certificates of Deposit
   US Treasury Bills
   Instruments Guaranteed by the US Government
   Money Market Accounts Invested in US Governmental Securities

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE NORTH TAHOE PUBLIC UTILITY DISTRICT THIS 13th DAY OF JANUARY 2026, BY THE FOLLOWING ROLL CALL VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

____
Sue Daniels, President
Board of Directors

ATTEST:

____
Bradley A. Johnson, P.E.
General Manager/CEO