

**Tahoe City
Public Utility District**

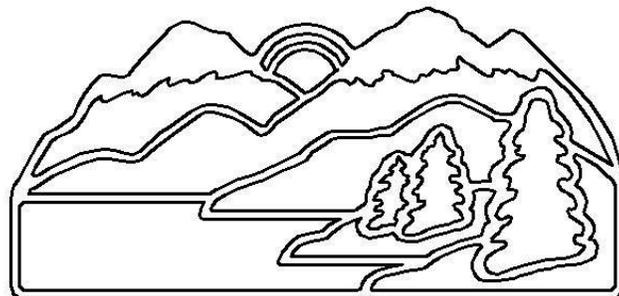
Tahoe City, California

**Annual Comprehensive
Financial Report
For the Year Ended
December 31, 2021
With
Independent Auditor's Report**

"Together We Achieve More"

Prepared by the Accounting Department

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Mission Statement

*The Mission of the Tahoe City Public Utility District
is to serve the people, our community, and its environment.*

It is our responsibility to provide safe and reliable water service, sewer service for the protection of public health, and parks and recreation services to enhance quality of life. It is our commitment to accomplish these and other tasks within the scope of the Public Utility District Act, as amended, in a sound fiscal manner.

Tahoe City Public Utility District Board of Directors



Left to right
Judy Friedman, John Pang, Board President,
Ellie Beals, Gail Scoville, Dan Wilkins, Vice President

Vision Statement

Building a healthy mountain community through
our passion for public service

Strategic Planning

Below are the over-arching core values that guide our approach to all services and activities in the District.



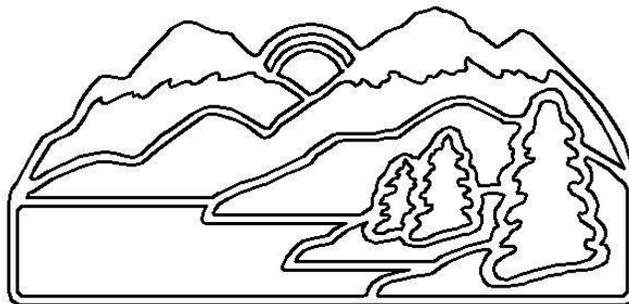
Sean Barclay, General Manager

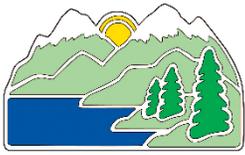
- **Service** – We extend our passion for service to all we encounter, and consider the following as our “customers”; rate payers, fellow team members, contractors, Board of Directors, agencies, taxpayers, visitors and the entire community we serve.
- **Professionalism** – We are a team of professionals that take pride in always doing what is right. We value our role as financial stewards and are dedicated to serving our community in the most efficient, effective and safe manner.
- **Teamwork** – We put team success first and work to promote cooperation and commitment within the District to fulfill our mission and serve our community. We believe that together we achieve more.
- **Initiative** – We are committed to the pursuit of excellence and believe that innovation, learning and growth are critical to that pursuit. We all act like owners and take personal responsibility for the District’s success.
- **Communication** – We value relationships in all areas and believe that communication is fundamental to the success of our team, our “customers” and our community.

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TAHOE CITY PUBLIC UTILITY DISTRICT

INTRODUCTORY SECTION Letter of Transmittal

BOARD OF DIRECTORS

John Pang
Dan Wilkins
Ellie Beals
Judy Friedman
Gail Scoville

GENERAL MANAGER

Sean Barclay

June 8, 2022

To the Board of Directors of the Tahoe City Public Utility District and to our Tax and Rate Payers:

The Tahoe City Public Utility District (TCPUD) staff submit to you the Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2021. The purpose of the ACFR is to communicate the financial condition of the TCPUD by presenting an assessment of TCPUD's financial condition, a description of TCPUD's services and infrastructure replacement projects, a discussion of current issues, and an outline of financial trends and demographic trend information. Three major sections are contained within the ACFR and present introductory, financial, and statistical information about TCPUD.

State law requires local governments to publish, within six months of the close of each fiscal year, a complete set of audited financial statements. The ACFR is published to fulfill that requirement for the fiscal year ended December 31, 2021.

Management assumes full responsibility for the completeness and reliability of the information contained in this ACFR, and it is based upon a comprehensive framework of internal controls established for this purpose. As the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Mann, Urrutia, Nelson, Certified Public Accountants & Associates, LLP, has issued an unmodified ("clean") opinion on the TCPUD's financial statements for the year ended December 31, 2021. The independent auditor's report is located at the front of the financial section of this ACFR.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A compliments this letter of transmittal and should be read in conjunction with it.

Profile of the Tahoe City Public Utility District

The TCPUD was founded in 1938 to provide basic governmental needs for the residents of Tahoe City that were deficient at the time. Established under the State of California's Public Utility District Act, Public Utilities Code sections 15501-18055, TCPUD is the oldest local government in the Tahoe Basin. The founders of TCPUD chose a form of government that could provide multiple types of services, and today TCPUD provides sewer collection and conveyance; water production and distribution; and parks, community facilities, and recreation services within the entire TCPUD service area.

The boundaries of the TCPUD service area lie on the north and west shore of Lake Tahoe within unincorporated areas of Placer and El Dorado Counties, extending from Emerald Bay to Dollar Hill, and west along the Truckee River to the Nevada County line. The service area is large, encompassing over 31 square miles. Within the TCPUD service area, water service is provided through eight separate systems and serves approximately three-quarters of the homes and businesses. Our current customer and visitor population is as follows:

Water customers - 5,740

Sewer customers - 7,725

Parks and Recreation customers and visitors - approximately 3.0 million

TCPUD owns and/or operates and maintains a number of amenities including: 23 miles of bike trails, 11 local parks, 1 golf course with summer and winter activities, 4 beaches, a community center, one boat launching facility, one campground, and the Tahoe City downtown sidewalks. In addition, the TCPUD sponsors numerous recreation programs, owns and manages the Fairway Community Center, the Highlands Community Center and the Tahoe City Community Center, and rents these community buildings, as well as various parks and beaches, for the benefit of residents and visitors.

TCPUD is governed by a five-person elected Board of Directors that establish policies and set direction for TCPUD. The Board conducts the District's business through Board meetings, committee meetings, and ad hoc meetings as needed.

The Board appoints a General Manager who oversees the day-to-day operations, and when necessary, forms special citizen advisory committees to address complicated issues requiring more community outreach or focused study. Under the direction of General Manager, Sean Barclay, 56 full time employees, 60 seasonal employees, and 10 interns serve in four major departments: Utilities, which includes water and sewer operations; Parks & Recreation; Engineering, which also includes technical services and geographical information systems; and Governance & Administrative Services (G&AS). TCPUD is on a calendar-year (January 1 - December 31) budget cycle and each year the Board of Directors adopts three (3) annual operating and capital budgets for the governmental fund, water fund, and sewer fund. All services are provided through the collection of property tax, water and sewer rates, user fees, grants, and interest income.

The TCPUD Public Facilities Financing Corporation is deemed to be a blended component unit of TCPUD and has a December 31 year-end. No assets, liabilities, or activity were reported as of and for the year ended December 31, 2021. For additional information see notes to the financial statements (note 1. A Reporting Entity).

Local Economy

Within TCPUD's service area, the economy is largely dependent on tourism that is centered on summer and winter recreational activities. Lake Tahoe is recognized as one of the most

beautiful regions in the world and is home to one of the largest alpine lakes in North America, offering a unique environment unrivaled anywhere else. The pristine beauty of Lake Tahoe draws upwards of twenty million visitors annually from around the world. North Lake Tahoe data has recorded approximately 3.5 million annual visitors to the area. The region offers both visitors and residents countless activities including snow skiing, snowboarding, hiking, biking, golfing, water skiing and boating, gaming, and other non-human powered recreation. The region's economy is closely tied to the Sacramento/San Francisco Bay Area economies due to its proximity to those areas.

Lake Tahoe is one of the most regulated regions in the United States. As development of the region grew, conservationists over many years lobbied for environmental protection for Lake Tahoe. The Tahoe Regional Planning Agency (TRPA) was formed in 1969 through a bistate compact between California and Nevada that mandates TRPA to protect the environment of the Lake Tahoe Basin. TCPUD closely monitors and abides by all TRPA rules and regulations, which directly impact the cost and operation of services. By regularly reviewing revenue sources and commissioning water and sewer rate studies every five years, TCPUD continues to maintain fiscal stability in this highly regulated environment.

Stay Home Orders issued in 2020, due to the COVID-19 pandemic, required California residents to remain at home unless working in an "essential" job or shopping for essential needs. On June 15, 2021, the Governor lifted the stay home orders and moved California to a 'Beyond The Blueprint for a Safer Economy' framework. Social distances restrictions related to business and public activities eased. However, the economy experienced many job losses from the pandemic, and the recovery is still on-going. While employment is slowly recovering, many businesses still face a declining labor pool due to the lack of affordable housing in the Tahoe-Truckee region. The unemployment rate in California at the end 2021 was 6.5%, compared to 9.3% in 2020. Similarly, Placer County unemployment rate was 3.2% at the end of 2021, compared to 6.2% at the end of 2020. Despite the lingering high unemployment rate, hotel and rental occupancy rates are up 93.2% year-over-year, and the 6-month forecast projected an 81.35% overall increase.

The real estate market in the Lake Tahoe region remains strong which can be attributed to the desirable location, amenities, and transition to telecommuting. Large-scale telecommuting was prompted by COVID-19 and more people began working from remote locations.

The increase in home sales, and subsequent change in ownership, generated a new base year value equal to the current fair market value. This translated into higher real property assessments, thereby increasing property tax revenue. TCPUD receives a portion of this property tax revenue which is a stable revenue source and accounts for, on average, 35.5% of all TCPUD revenue. Newly passed Proposition 19, effective February 16, 2021, has consequences for all real property and allows eligible individuals to transfer their property tax assessment to a new home. It's too early to predict how this will impact future property tax revenue for TCPUD.

Placer County collects a transient occupancy tax (TOT) which is a rental tax paid by guests visiting lodging accommodations such as hotels, motels, and short-term rentals. The collection of TOT is an indicator of visitors coming to the Lake Tahoe's north and west shores and a portion of it is used to help fund infrastructure projects that benefit the region from which the TOT was collected. TOT collections over the last five-year period indicated growth, and while the impacts of the pandemic saw a dip in fiscal year 2019-2020, the following fiscal year 2020-2021 recovered with collections exceeding the prior year by 17.4%.

TCPUD has been able to use TOT funds for important infrastructure projects such as the Truckee River Trail Reconstruction and Renewal Project, the Commons Beach Power Pedestal Project, Bike Trail Repair Stations, Winter Bike Trail Snow Removal, Bike Trail Repair Stations Project, and Bike Trail Signage. Toward the end of 2021, TCPUD submitted TOT applications for the following projects: Portable Changeable Message Sign, Sequoia Trail Crossing Safety Upgrades, and Solar Powered Waste Compactors.

The North Tahoe business community officially passed the Tourism Business Improvement District (TBID), freeing up TOT dollars to support workforce housing initiatives and ensuring locally generated funds are governed by local businesses. The newly formed TBID was approved at a hearing on March 9, 2021, when the Placer County Board of Supervisors adopted a resolution forming the North Lake Tahoe Tourism Business Improvement District for a five (5) year term, beginning July 1, 2021, through June 30, 2026. As a result, the activities & attractions, retail, restaurants, lodging, businesses will be assessed by the TBID, which went into effect on July 1, 2021. These funds will be used for tourism stewardship and economic development activities designed to increase revenue for the assessed businesses.

Affordable housing is a critical issue in the North Tahoe-Truckee region. TCPUD's General Manager actively participates in quarterly meetings run by the Mountain Housing Council of Tahoe Truckee (MHC), a project of the Tahoe Truckee Community Foundation. The MHC was established in 2017 and brought together 28 diverse partners to accelerate solutions to the region's local housing issues. One of MHC's goals is to build on the needs identified in the 2016 Truckee North Tahoe Regional Workforce Housing Needs Assessment and tackle the unique and pressing challenges of housing in the North Tahoe-Truckee region, including availability, variety, and affordability.

Responding to affordable housing at the state level, Governor Gavin Newsom signed Executive Order N-06-19 on January 15, 2019, which directs the Department of General Services (DGS) and the Department of Housing and Community Development (HCD) to identify excess state-owned land for the development of affordable housing to address the shortage of housing in California. The Town of Truckee approved the development of 192 affordable housing units. Also, Placer County is actively working on creative solutions to address the creation of and access to affordable housing. On September 28, 2021, the Governor signed legislation to increase affordable housing production across California.

The lack of available affordable housing, coupled with rising prices of homes and rental units, presents recruiting and employee retention challenges. TCPUD continues to work diligently on new and creative ways to advertise TCPUD as the premier employer in the area.

California enters its third year of drought as drier conditions with less frequent winter precipitation has resulted in a below average snowpack. Predictions in 2022 include higher than normal summer temperatures and a likely increase in visits to the Tahoe region. The severe drought conditions also boost wildfire concerns.

California continues to experience longer wildfire seasons as a direct result of climate change. The persistence of dry conditions increases the potential for 2022 wildland fire activity. The 2021 California fire season was the second worst fire season on record behind only the 2020 wildfire season which was record setting. Wildfire poses a serious threat to local communities in the Tahoe Basin. TCPUD maintains emergency action plans that are currently being updated before the 2022 wildfire season begins. TCPUD also continues to search for grants and other funding opportunities to bolster critical infrastructure protection, including the storage and delivery of water for firefighting and hazardous tree removal around TCPUD critical infrastructure to protect life and property within our community.

Year in Review

TCPUD's Vision Statement "Building a healthy mountain community through our passion for public service" appropriately conveys TCPUD's desire to provide responsive and exceptional services.

As the COVID-19 pandemic progressed across the Country, TCPUD staff took early action and developed the COVID-19 Risk Minimization and Response Plan (Plan) to ensure the TCPUD's ability to continue to provide essential water and sewer services to our community, to protect the safety and health of our dedicated employees, and to do our part for our community to help slow the spread of the virus. Throughout 2021, the Plan was regularly updated in accordance with the Department of Public Health and Cal OSHA mandates and guidelines. TCPUD addressed in-office protocol, separated field crews, and allowed many office staff to work remotely to keep employees safe.

Due to the continued financial impacts of COVID-19 pandemic on TCPUD's community, the TCPUD Board further suspending penalties/interest for delinquent payments and extended the commercial sewer rate relief program for an additional three months into 2021.

Despite these unprecedented and uncertain times, TCPUD continued to provide essential water and sewer services without interruption and maintain safe parks and recreation activities as allowed. COVID-19 changed the way people recreated outdoors and required TCPUD to respond to and accommodate our community and visitors seeking outdoor

activities. Our Tahoe City Golf Course and Lake Forest Boat Ramp experienced record attendance while our recreation programs came to a virtual halt, eventually reopening for 2021 summer programs and activities. Other 2021 priorities and projects continued to move forward as detailed in the following list. Note the list is not all inclusive:

- The Board adopted a Five-Year District Strategic Plan for 2022-2026 which serves as a clear, transparent guiding document for the next five years. The process included a review and reaffirmation by the Board of TCPUD's foundational statements (Mission, Vision, and Values). The Board also worked with staff on the development of a set of Core Operating Principles, which provide a clear outline of expectations for the way that the District conducts its business operations in service to the community. The strategic focus areas outlined in the plan are:
 - Governance, Management & Organizational Health
 - Safe and Sustainable Water & Sewer Services
 - Outstanding Recreation & Leisure Opportunities
 - Infrastructure and Property - Protection & Improvement
 - Long-Term Financial Sustainability
- Three presentations addressing Long-Term Financial Planning (LTFP) were given to the Board during the year, focusing on the cost of financing for the Tahoe Cedars and Madden Creek water system replacements. Master Plans for these water systems, outlining improvements and costs, were adopted by the Board at their 2021 February meeting. The LTFP presentations focused on high-level financial forecasts, policy considerations, property owner financial responsibility, and a strategy for public engagement.
- TCPUD continues to focus on the long-term vision for the Tahoe City Community Center (401 West Lake Boulevard Property) over the next few years. This iconic property consists of approximately 11 acres and features a two-story log building and a park-like setting with gardens and a gazebo. In the short-term, TCPUD will relocate staff from the Parks and Recreation Department, as well as the Recreation Center activities to the building. During 2021, building improvements continued and the parking lot and ADA improvements were completed.
- Construction began in 2021 on the West Lake Tahoe Regional Water Treatment Plant project. This project is designed to provide a permanent, year-round surface water treatment plant that will replace the temporary seasonal treatment plant located at Chambers Landing. This critical project will provide a reliable, drought-resistant, safe drinking water source that can provide increased water for fire suppression to the communities along the west shore of Lake Tahoe. \$12,000,000 in financing from the California Drinking Water State Revolving Fund (SFR) was secured in 2021.
- TCPUD completed the Madden Creek Water Interconnection and Distribution Project Phase 1 & 2. A high priority need for backup water supply and additional

water storage for the Madden System, TCPUD developed this project to interconnect the Madden Water System to the TCPUD's McKinney-Quail Water System. The Project provided the needed backup water supply and emergency water storage, in addition to replacement of critical water system components to enhance fire protection and improve water delivery and pressure.

- TCPUD Park and Recreation Department continued to provide exceptional service and responded with patience and resilience, to serve the community's recreation needs while adjusting to everchanging COVID-19 operating standards. Signage, garbage removal, sanitation schedules, virtual and reduced programming, and record-breaking visitation at many of the park's facilities were met with professionalism in service to our community.
- TCPUD successfully implemented the OpenGov Budgeting software project which transitioned TCPUD budgeting process from excel based spreadsheets to OpenGov budgeting software. This 2021 District Priority streamlined the annual budget process and reduced staff time on the backend.
- North Lake Tahoe Active Recreation Assessment (Assessment) Phase 2 began in early 2021 and included the inventory and conditions assessment of existing facilities, fields and courts, the collection of facility and program use data, and the exploration of potential capital and operating funding mechanisms. The Assessment is a collaborative, multi-phased project initiated by the TCPUD and North Tahoe PUD to identify our community's demographics, needs, interests and attitudes concerning active recreation programming and facilities.
- Actively monitoring and pursuing supplemental funding opportunities that offset the use of utility rate revenue and property tax revenue is a high priority. Grant funds secured for fiscal years 2021 and 2022 saw measurable success in securing almost \$7.4 million to support a variety of projects that address drought mitigation, climate resilience, and investment in critical infrastructure.
- The Caldor Fire entered the south side of the Tahoe Basin on August 30, 2021. The Fire did not spread north along the west shore and fortunately did not enter the TCPUD service area. However, residents in the portion of El Dorado County within the TCPUD service area were evacuated. TCPUD utility crews monitored the evacuation area for adequate water pressure and supply. In some cases, utility crews turnoff sprinkler systems and hoses that were left on and unattended. TCPUD management also planned for the removal and storage of critical equipment and documents to a safe location outside of the Basin. TCPUD management will continue to develop emergency and evacuation plans in the event of future evacuation orders.

Financial Information

TCPUD's overall financial position improved in 2021 as the government-wide net position at year end totaled \$110,098,783, an increase of \$5,927,499 or 5.7%. The increase in net position is a combination of current year operations, grants, and increased property tax revenue. The Governmental Activities contributed \$2,676,049 to the increase in government-wide net position due to increases in revenue and property tax revenue. Business-Type Activities contributed \$3,251,450 to the overall net position due to operations and grants in the amount of \$758,090.

General Fund unassigned fund balance increased by \$1,486,149 largely due to increased operating and property tax revenues. A more detailed discussion of the government-wide financial information and operating results for the Governmental Activities, Business-Type Activities and major funds, including the General Fund, is provided in the MD&A portion of the Financial Section of the ACFR.

Relevant financial policies

The TCPUD Board adopted a comprehensive set of financial policies which provide prudent guidance and stewardship of TCPUD financial resources. Based on the reserve policies for the General Fund and Enterprise Funds, the Board annually adjusts the reserve balances to ensure financial stability, mitigate unanticipated financial events, and provide for future capital purchases and projects.

Strategic Planning, Long-term Financial Planning, and 2022 District Priorities

As stated above, the TCPUD Board adopted an updated five-year 2022-2026 Strategic Plan on September 17, 2021. The Strategic Plan is revisited each year in conjunction with the annual budget cycle. The Strategic Plan focuses on providing governmental excellence in leadership, efficiency, and service. Financial sustainability is also a priority area for TCPUD as it continues to adapt to a dramatically evolving community and region.

TCPUD will continue to make substantial progress on TCPUD's Long-term Financial Plan document (LTFP) leading to its adoption by the end of 2022. This is important as it will result in an essential governance and management tool for TCPUD and become one of the key components in the overall organizational Strategic Plan. The LTFP will set forth an annual process to ensure long-term financial sustainability while providing a consistent level of service. By implementing an annual process, the following goals will be established: achieving long-term financial sustainability; maintaining financial flexibility to meet needs of the TCPUD's constituents; ensuring sufficient resources are available to provide programs and maintain service levels; communicating regularly to constituents about potential risks to on-going operations; and identifying changes in expenditure or revenue structures needed to deliver services or meet the strategic goals adopted by the TCPUD Board.

The Strategic Plan and the LTFP will position TCPUD to appropriately address critical infrastructure improvements and associated costs and the rising cost of pension and other post-employment benefits with their related unfunded liabilities. Another important outcome of the LTFP will be a formalized budget forecast with additional financial policies that reflect the TCPUD Board's goals. Additionally, beginning in 2023, negotiations will begin between TCPUD and International Union of Operating Engineers, Stationary Engineers, Local 39 Covering Engineering, Parks and Recreation (MOU) classified employees. Early planning will be key to a successful process.

Updating TCPUD's current five-year 2019 Rate Study 2020-2024 (Study) is already under discussion due to the large water infrastructure replacement planning that is underway for the Tahoe Cedars and Madden Creek water systems. Discussions continue using the same philosophical approach to maintaining a unified water system across TCPUD's entire service area. This approach equitably and efficiently distributes the cost of current and future system improvement needs across the entire TCPUD service area. This approach also achieves the highest service standards and provides all customers with the benefit of an economy of scale for the operation, maintenance, and infrastructure investments.

Beginning in 2020, this unified approach addressed challenges with water customers in the Tahoe Cedars and Madden Creek Water Systems acquired by TCPUD in January 2018. At the time of the acquisition, customers in these two water systems were paying substantially lower water rates than current TCPUD water rates. A transition schedule was implemented to equalize their water rates to the current TCPUD water rates by 2024. The TCPUD Board directed staff to fund this difference with annual property tax revenues. By using annual property tax revenues, the TCPUD's existing water customers did not fund the costs from water rates during the transition period.

The 2022 District priorities include the following, note the list is not all inclusive:

- Complete the Long-Term Financial Plan (LTFP) as mentioned above.
- Continued efforts to monitor and secure supplemental grant funding opportunities that offset the use of utility rate revenue and property tax revenue is a high priority to support a variety of project that address drought mitigation, climate resilience, and investment in critical infrastructure.
- TCPUD's water service area includes over 101 miles of water mains, 15 water storage tanks, 14 water wells, 655 fire hydrants, and 1 temporary surface water treatment plant. Capital infrastructure investments are needed throughout the TCPUD service area, including significant improvements to the aging and failing infrastructure associated with the Tahoe Cedars and Madden Creek water systems acquired in January 2018. A key priority is to develop a water infrastructure funding strategy and pursue appropriate funding and/or financing opportunities for the Tahoe Cedars and Madden Creek water systems.

- The West Lake Tahoe Regional Water Treatment Plant, designed to provide a permanent, year-round surface water treatment plant will replace the temporary seasonal treatment plant located at Chambers Landing. This critical project will provide a reliable, drought-resistant, and safe drinking water source and provide increased water for fire suppression to the communities along the west shore of Lake Tahoe. Construction continues in 2022 and estimated for completion in 2023. Execution of an amendment to increase the financing from the California Drinking Water State Revolving Fund (SFR) from \$12 million to \$20 million is currently underway and will be secured in 2022.
- Work with the State Water Board, to secure TCPUD's surface water rights through the approval of submitted petitions for change and extension of time.
- Complete Phase II of the North Lake Tahoe Active Recreation Facilities Assessment as discussed above.
- TCPUD, as lead agency under the California Environmental Quality Act (CEQA), continues to support the Tahoe Cross-Country Lodge Replacement and Expansion Project (Project). TCPUD has worked closely with the Tahoe Cross-Country Ski Education Association, the Project applicant and current concessionaire of the Highlands Park and Community Center, on the development of the Environmental Impact Report for CEQA compliance. The purpose of the Project is to reconstruct a new lodge by re-using and re-purposing the historic Schilling residence to better serve year-round recreation activities and services. The planned use of the new lodge is for continued public enjoyment of winter Nordic skiing and summer hiking and biking activities, as well as to serve as an environmental education resource and provide enhanced community space. Additional uses, as determined by TCPUD, may also be proposed.
- TCPUD continues its work with Kila Tahoe, LLC, the developer of the Tahoe City Lodge project adjacent to the Tahoe City Golf Course (TCGC). This project is an important redevelopment effort in the Tahoe City commercial core. TCPUD, through partnership with the TCGC oversight committee, helps to facilitate the project by providing for the use of certain development rights from the TCGC property, collectively acquired by TCPUD and several partner agencies in 2012. Work will continue in 2022 as the project continues to move forward.
- Smart meters will be installed at approximately 3,500 connections to detect and respond more efficiently to water leaks. This technology will send meter information four times per day, via cellular signal, to a cloud-based server. The customers and the TCPUD will receive leak notifications via email or text within 24 hours of the leak starting. In addition, customers will be able to view their real-time water usage data through a web-based customer portal or smartphone application. Smart meters have shown to be effective as a water conservation measure.

- Continue to serve our community by participating on the Mountain Housing Council to develop solutions to local, affordable housing as mentioned in the Local Economy section above.
- Continue efforts to build a strong organizational culture through the Culture Team made up of a cross-functional and diverse group of employees. The Culture Team will continue their work on developing employee recognition programs and implementing opportunities to encourage employee engagement. New team members will rotate onto the Team on staggered 2- and 3-year terms.

It is worth noting that external influences also play a significant role in prioritizing TCPUD workloads and community impacts, these include County and Regional planning efforts; significant demographic changes; unemployment rates; workforce housing shortages; other agencies' projects; expanding community expectations; technological changes and opportunities; growing regulatory requirements; State requirements on small water systems; and climate change adaptation.

Looking Forward

Throughout the continued impacts from the COVID-19 pandemic, TCPUD's main priority has been the health and safety of its employees, its customers, and the community-at-large. TCPUD's actions as an organization during COVID-19 have demonstrated TCPUD's strong commitment to its Core Values of Service, Professionalism, Teamwork, Initiative, and Communication. During the height of the pandemic, TCPUD went above and beyond to build and maintain positive relationships with its customers and partners. The TCPUD has remained vigilant regarding the safety of team members and encouraged district-wide team unity by willingly sharing resources, knowledge and time.

A commitment to accountability and organizational character guided the TCPUD through the many difficulties of the pandemic. TCPUD is confident it will achieve its vision of "building a healthy mountain community through our passion for public service", and despite all the recent challenges, TCPUD persevered and succeeded.

Providing extraordinary customer service and maintaining the Transparency Certificate of Excellence from the Special District Leadership Foundation is a commitment TCPUD will maintain into the future. This Certificate mandates implementation of the "best practices" in local government. Achieving this distinction sends a clear message that TCPUD is committed to engaging the public and creating greater awareness of TCPUD's activities by remaining financially transparent and accessible.

Community involvement is critical to TCPUD's success. Continuing to engage in dialogue and collaboration with the community, local agencies, Placer County, and the State is important and TCPUD will continue to strengthen these important relationships. TCPUD remains involved in community projects such as the CA FLAP SR89 (Fanny Bridge) project and regional workforce housing.

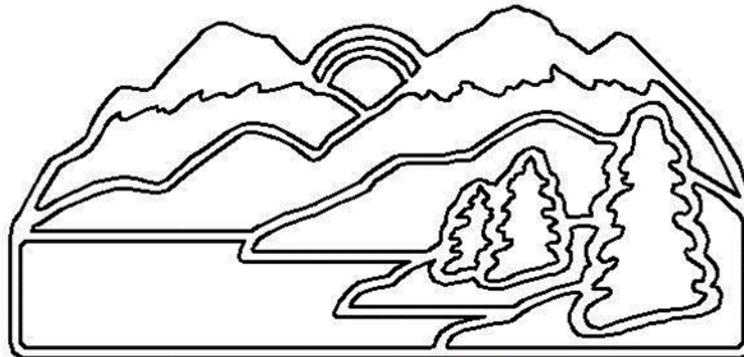
Acknowledgements

The preparation of this ACFR would not have been possible without the skill, effort, and dedication of the entire staff of the Accounting Department and other key TCPUD staff members. Thank you to all the departments for their assistance in providing the data necessary to prepare this ACFR. Thank you, Mann, Urrutia, and Nelson, TCPUD's independent auditors, for their professionalism and assistance in performing this year-end financial audit. Credit also is due to the Board of Directors for their unfailing support to maintain the highest standards of professionalism in the management of the Tahoe City Public Utility District's finances.

Respectfully submitted,


Sean Barclay
General Manager

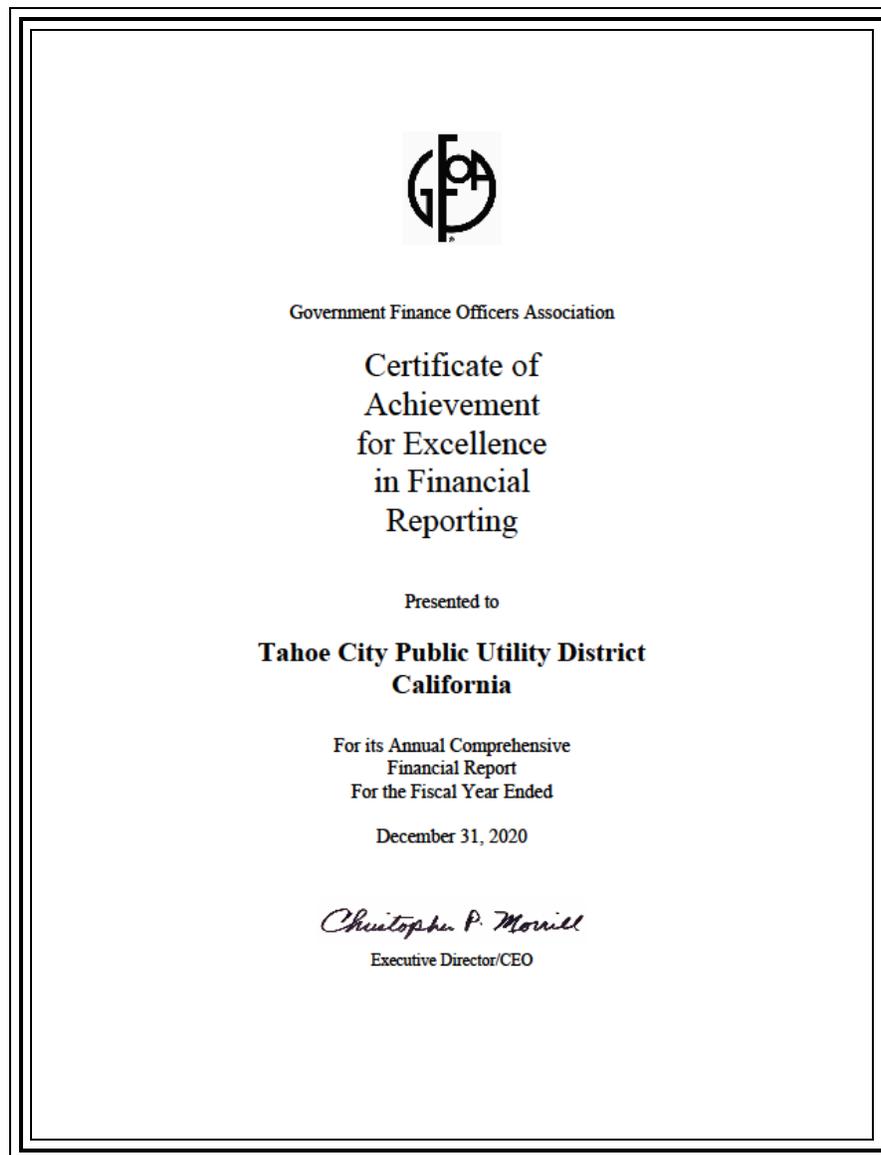

Ramona Cruz
Chief Financial Officer/Treasurer



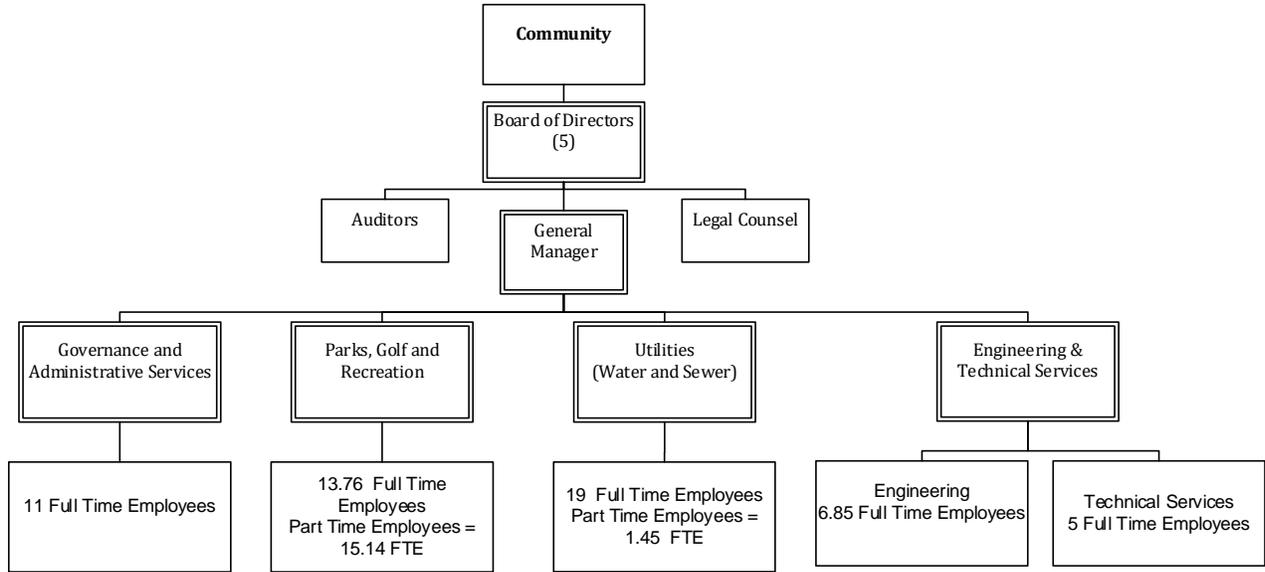
GFOA Certificate of Achievement for Excellence in Financial Reporting

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Tahoe City Public Utility District for its annual comprehensive financial report for the fiscal year ended December 31, 2020. This was the fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.



TCPUD Wide Organizational Chart



List of Elected and Appointed Officials

Elected Officials

Board President	John Pang	Term 2018-2022
Vice President	Dan Wilkins	Term 2020-2024
Board of Director	Judy Friedman	Term 2020-2024
Board of Director	Gail Scoville	Term 2018-2022
Board of Director	Ellie Beals	Term 2020-2024

Appointed Officials

General Manager	Sean Barclay
Treasurer/Accountant	Ramona Cruz
District Clerk	Terri Viehmann



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Tahoe City Public Utility District
Tahoe City, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Tahoe City Public Utility District (the District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Tahoe City Public Utility 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 governmental activities, the business-type activities, and each major fund of Tahoe City Public Utility District, as of December 31, 2021, and the respective changes in financial position, and, where applicable, 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 audit 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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, budgetary comparison information, schedules relating to the net pension liability and net other post-employment liability as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2022, on our consideration of the 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 the 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 the District's internal control over financial reporting and compliance.



Sacramento, California
June 8, 2022

Management Discussion and Analysis

The management discussion and analysis (MD&A) of the Tahoe City Public Utility District's financial performance provides an overview of TCPUD's financial activities for the year ended December 31, 2021. The intent of this discussion and analysis is to assess the TCPUD's financial performance. Therefore, it should be read in conjunction with the TCPUD's financial statements and notes to the financial statements to enhance understanding of the TCPUD's financial performance.

Financial Highlights

Government-Wide

- Property tax revenue for the year is \$8,879,869, up \$563,483 or 6.8% over last year largely due to increased assessed values.
- COVID-19 expenses totaled \$97,669 for all TCPUD operations.
- COVID-19 one-time \$254,411 grant received and distributed as follows:
 - Water received \$137,147.
 - Sewer received \$96,031.
 - General Fund received \$21,233.
- Change in net pension liability and related accounts:
 - Net pension liability decreased by \$4,527,915.
 - Deferred outflows of resources decreased by \$82,373.
 - Deferred inflows of resources increased by \$6,956,837.
- Change in other post-employment liability and related accounts:
 - Net Other Post Employment liability decreased by \$43,422.
 - Deferred outflows of resources decreased by \$10,067.
 - Deferred inflows of resources decreased by \$38,739.
- Ending Government-Wide Net Position is \$110,098,783, up by \$5,927,499 or 5.7%.

General Fund

- Unassigned fund balance is \$14,363,569, up from last year by \$1,486,149 or 11.5%.
- \$1,266,200 or 8.8% of unassigned fund balance is for operating reserves.
- General fund balance is \$17,353,205, up from last year by \$3,084,192 or 21.6%.
- During the year \$1,960,044 was invested in infrastructure and equipment.
- \$2,738,973 of property tax was used to support parks and recreation operations and is less than budget by \$522,550 and up by \$225,622 from last year.
- Parks and Recreation revenues are \$1,897,862, greater than budget by \$94,486 and up \$388,162 from last year.
- Interest income for the year is \$38,156, less than budget by \$3,848 and down from last year by \$139,840.
- Parks and Recreation operational expenditures are \$4,636,841, less than budget by \$427,958 and greater than last year by \$613,786.

Water Enterprise Fund

- Water net position increased by \$2,178,325.
- During the year \$7,328,599 was invested in water infrastructure and equipment.
- Water revenue excluding grants and property tax is \$8,317,778, greater than budget by \$329,963 and up from last year by \$675,255.
- \$561,664 in property tax was used for Tahoe Cedars and Madden Creek rate transition plan.
- Grant revenue of \$895,236 was received.

Management Discussion and Analysis, continued

- Water expenses excluding depreciation and amortization is up from budget by \$622,621 and greater from last year by \$684,359.
- Amortization of goodwill is \$245,391; purchase of three private water systems in 2018 created goodwill of \$4,907,830 that will be amortized over the remaining 16 years; goodwill impairment is tested each year by assessing the ability to charge fees.
- State Revolving Fund reimbursement request for the year is \$2,794,450.

Sewer Fund

- Sewer net position increased by \$1,073,125.
- During the year \$957,222 was invested in sewer infrastructure and equipment.
- Sewer revenue excluding grants and property tax is \$5,622,488, less than budget by \$86,969 and up from last year by \$301,461.
- \$92,768 in property tax was used for the commercial sewer rate relief program due to COVID-19.
- Grant revenue \$96,031 was received.
- Sewer expenses excluding depreciation is up from budget by \$378,099 and greater than last year by \$908,620.

Debt Service

- Governmental long-term debt decreased by \$121,094 and all scheduled debt payments were made on time.

Overview of the Financial Statements

The discussion and analysis provided here is intended to serve as an introduction to the TCPUD's basic financial statements. The TCPUD's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes required supplementary information intended to furnish additional detail to support the basic financial statements and a Statistical Section.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the TCPUD's finances in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the TCPUD's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the TCPUD is improving or deteriorating.

The *statement of activities* presents information showing how the TCPUD's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and/or earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the TCPUD that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the TCPUD include general

Management Discussion and Analysis, continued

government, parks and recreation, and debt service fund. The business-type activities of the TCPUD include water and sewer operations, engineering and technical services.

The government-wide financial statements can be found on pages 38 through 40 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The TCPUD, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the TCPUD can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The TCPUD maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

The TCPUD adopts an annual budget for its general fund. A budgetary comparison statement has been provided on page 87 for the general fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 42-45 of this report.

Proprietary Funds. The TCPUD maintains two enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The TCPUD uses enterprises funds to account for its water, sewer, technical services, and engineering departments.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail, and can be found on pages 46-48.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund statements. The notes to the financial statements begin on page 49 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the TCPUD's progress in funding its obligation to provide pension benefits and Other Post-Employment Benefits (OPEB) to its employees. Required supplementary information begins on page 85 of this report.

Management Discussion and Analysis, continued

Government-wide Overall Financial Analysis

The Statement of Net Position combines and consolidates TCPUD's governmental funds' current financial resources (short-term spendable resources) with capital assets, long-term obligation, and other long-term assets and liabilities. The Statement of Net Position also presents the enterprise fund. As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the TCPUD, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$ 110,098,783 at the close of the most recent fiscal year.

By far, the largest portion of the TCPUD's net position (79.5%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt used to acquire those assets. The TCPUD uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the TCPUD investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. TCPUD pledged \$139,704 for 2021 debt payments from property tax revenue.

Other considerations, such as changes in the condition of the TCPUD's extensive water, sewer and park facilities infrastructure, the funding status of employee benefit plans, and growth in property tax revenues versus service commitments, must also be considered when assessing the overall financial health of the TCPUD.

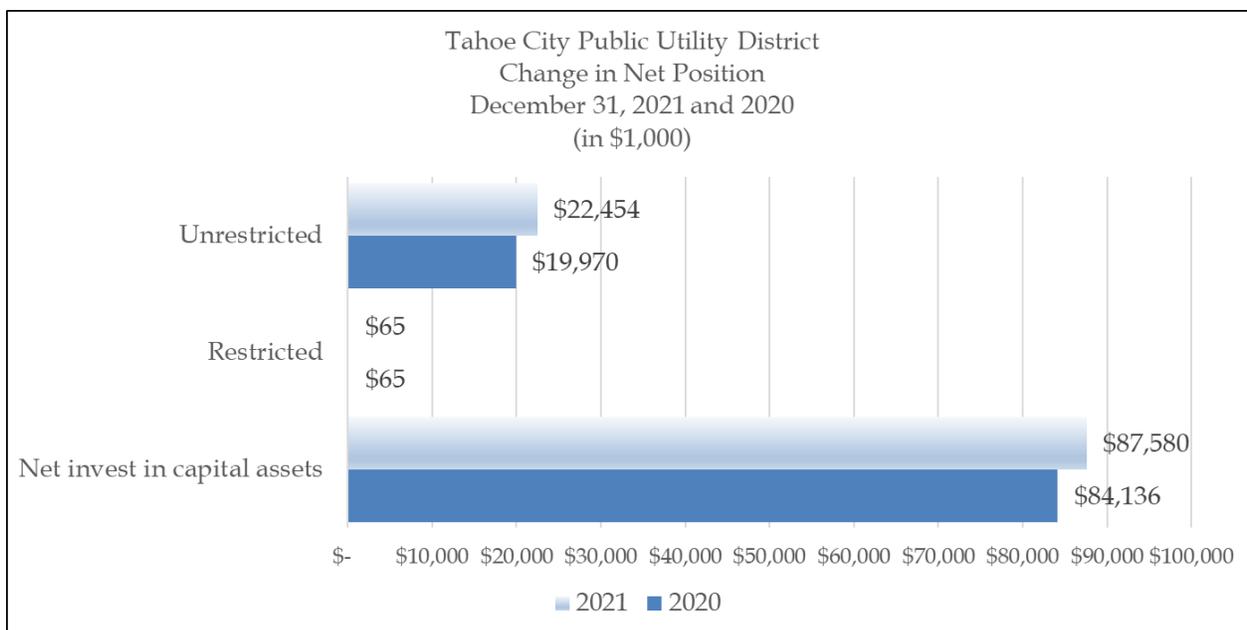
The Statement of Net Position is presented below in a condensed form for purposes of this analysis.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Cash and investments	\$ 12,124,954	\$ 9,700,175	\$ 13,671,306	\$ 14,698,535	\$ 25,796,260	\$ 24,398,710
Cash and investments - restricted	310,530	41,934	-	-	310,530	41,934
Receivables	5,606,919	4,971,949	3,631,483	690,673	9,238,402	5,662,622
Other current assets	260,095	226,964	800,690	727,319	1,060,785	954,283
Total current assets	18,302,498	14,941,022	18,103,479	16,116,527	36,405,977	31,057,549
Restricted cash and investments	13,800	13,800	203,108	51,277	216,908	65,077
Facility upgrade receivables	-	-	45,947	90,792	45,947	90,792
Net capital assets	34,695,857	34,596,638	56,932,318	50,571,730	91,628,175	85,168,368
Total assets	53,012,155	49,551,460	75,284,852	66,830,326	128,297,007	116,381,786
Deferred outflows of resources	1,387,867	1,412,366	6,740,685	7,054,018	8,128,552	8,466,384
Liabilities:						
Payables and accruals	919,578	641,847	1,750,085	1,400,633	2,669,663	2,042,480
Unearned revenue	47,621	48,614	-	-	47,621	48,614
Long-term debt - current	334,894	328,365	282,054	282,817	616,948	611,182
Total current liabilities	1,302,093	1,018,826	2,032,139	1,683,450	3,334,232	2,702,276
Long-term debt - noncurrent	787,769	911,046	2,794,450	-	3,582,219	911,046
Net Pension liability	3,512,025	4,680,227	4,513,213	7,872,926	8,025,238	12,553,153
Net other post employment benefit	1,056,921	1,070,929	2,431,026	2,460,440	3,487,947	3,531,369
Total liabilities	6,658,808	7,681,028	11,770,828	12,016,816	18,429,636	19,697,844
Deferred inflows of resources	2,164,029	381,662	5,733,111	597,380	7,897,140	979,042
Net position:						
Net Investment in capital assets	34,607,266	34,596,638	52,972,992	49,539,591	87,580,258	84,136,229
Restricted	13,800	13,800	51,200	51,200	65,000	65,000
Unrestricted	10,956,119	8,290,698	11,497,406	11,679,357	22,453,525	19,970,055
Total net position	\$ 45,577,185	\$ 42,901,136	\$ 64,521,598	\$ 61,270,148	\$ 110,098,783	\$ 104,171,284

Management Discussion and Analysis, continued

At the end of fiscal year 2021, TCPUD reported positive net positions in all its governmental and business-type activities. At year-end 82.1% of TCPUD’s business activities’ net position was invested in capital assets; for government activities this category amounted to 75.9%. The following chart demonstrates the relationship of net investment in capital assets, unrestricted, and restricted as component of net position.

The Statement of Activities and Changes in Net Position focuses on both the gross and net cost of various functions making up the TCPUD’s governmental and business-type services, which are supported by charges for services, grants and contributions, property taxes, and other revenues. This statement summarizes and simplifies the user’s analysis of the total costs and tax subsidy levels of the services offered by the TCPUD. All information is prepared on an accrual basis using the economic resources measurement focus. The TCPUD first calculated and recorded accumulated depreciation for its governmental activities as of January 1, 2004, and has included depreciation expense in the 2021 information.



TCPUD’s overall current net position increased by \$5,927,499; less than the previous year by \$2,434,782 or 29.1%. An overall discussion of the increases and decreases is found in the sections for governmental activities and business-type activities.

Management Discussion and Analysis, continued

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program Revenues:						
Parks charges for services	\$ 1,636,096	\$ 1,049,819	\$ -	\$ -	\$ 1,636,096	\$ 1,049,819
Rec. charges for services	273,632	84,960	-	-	273,632	84,960
Water revenue	-	-	8,317,778	7,642,523	8,317,778	7,642,523
Sewer revenue	-	-	5,643,421	5,321,027	5,643,421	5,321,027
Operating grants and contributions	22,274	386,285	233,177	-	255,451	386,285
Capital grants and contributions	23,566	2,333,921	758,090	97,637	781,656	2,431,558
Total program revenues	1,955,568	3,854,985	14,952,466	13,061,187	16,908,034	16,916,172
Expenses:						
Parks - direct expenses	6,112,865	5,602,432	-	-	6,112,865	5,602,432
Recreation - direct expense	1,013,467	732,041	-	-	1,013,467	732,041
Water - direct expense	-	-	7,365,186	6,429,200	7,365,186	6,429,200
Sewer-direct expense	-	-	4,768,607	3,831,739	4,768,607	3,831,739
Interest on long-term debt	18,064	20,217	-	902	18,064	21,119
Indirect expenses	398,716	103,194	256,178	458,032	654,894	561,226
Total expenses	7,543,112	6,457,884	12,389,971	10,719,873	19,933,083	17,177,757
Net revenue (expense)	(5,587,544)	(2,602,899)	2,562,495	2,341,314	(3,025,049)	(261,585)
General Revenues:						
Property taxes	8,225,437	7,452,235	654,432	864,151	8,879,869	8,316,386
Investment earnings	38,156	177,996	34,523	129,484	72,679	307,480
Total general revenues before transfers	8,263,593	7,630,231	688,955	993,635	8,952,548	8,623,866
Transfers	-	(3,500,000)	-	3,500,000	-	-
Total general revenue	8,263,593	4,130,231	688,955	4,493,635	8,952,548	8,623,866
Change in net position	2,676,049	1,527,332	3,251,450	6,834,949	5,927,499	8,362,281
Net Position - Beginning	42,901,136	41,373,804	61,270,148	54,435,199	104,171,284	95,809,003
Net Position - Ending	\$45,577,185	\$42,901,136	\$64,521,598	\$61,270,148	\$ 110,098,783	\$ 104,171,284

Governmental Activities. Governmental activities consist of parks, golf course, winter sports park, and recreation operations, which are supported by property taxes, user fees, capital and operating grants, and donations. It is important to understand that capital grants are included as revenues in the year earned based on project design and construction expenditures and may far exceed depreciation expense in a particular year. Due to the restricted nature of these grants, this cash is not available for general operations. Depreciation expense on the related long-lived assets will be presented over many future years, while all the capital grant revenue was recognized during design and construction. During the current fiscal year, net position for governmental activities increased \$2,676,049 from the prior fiscal year for an ending balance of \$45,577,185. The increase is primarily a result of property tax revenue due to assessed value increases, Lake Forest Boat Ramp fees and season passes, and recreation program fees greater than last year due to the lifting COVID-19 closures. Direct expenses are up overall to last year due to park activities and recreation programs ramping up to full operation and engineering park's special studies cost increase.

Business-type Activities. Business-type activities reflect private sector-type operations, such as water and sewer services and the related Engineering and Technical Service departments. User fees are charged to cover all or most of the costs of operation, including depreciation. The TCPUD covers cash operating costs with user fees and can fund capital expenditures with a portion of general property tax transfers from the governmental operation due to the low customer density of its service area and the high costs of environmental compliance in the Lake Tahoe Basin. In 2021,

Management Discussion and Analysis, continued

no property tax was transferred from governmental operation to the water business-type activities to fund capital expenditures and reserves.

For the TCPUD's business-type activities, net position increased by \$3,251,450 from the prior year for an ending balance of \$64,521,598. The increase in net position is a result of water and sewer annual rate increases, increased water consumption, increased connection fees, receipt of a \$750,000 Placer County Water Agency Financial Assistance Program capital grant for the West Lake Tahoe Regional Water Treatment Plant project and a \$233,178 COVID-19 operational grant, netted against increased operational cost and increasing pension and other post-employment benefit expenses.

For the year, total net position increased by \$5,927,499 because of operations.

	Government Wide		
	Change in Net Position		
	Governmental Activities	Business-type Activities	Total
Beginning net position	\$ 42,901,136	\$ 61,270,148	\$ 104,171,284
Add change in net position	2,676,049	3,251,450	5,927,499
Net position - Ending	<u>\$ 45,577,185</u>	<u>\$ 64,521,598</u>	<u>\$ 110,098,783</u>

Financial Analysis of Governmental Funds

The focus of the TCPUD's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the TCPUD's financing requirements. Unassigned fund balance may serve as a useful measurement of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the TCPUD itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the TCPUD Board of Directors.

At December 31, 2021, the TCPUD's governmental funds reported combined fund balances of \$17,353,205, an increase of \$3,084,192 or 21.6% in comparison with the prior year. This is a result of revenue sources exceeding expenditures. Revenues exceeded last year's actuals by \$982,401 which included, recreation program fees, Lake Forest Boat Ramp daily fees and season passes, golf season passes, and property tax revenue. Current expenditures were \$783,926 greater than last year's actual and continue to increase because of normal cost and personnel increases. Capital outlay expenditures were \$4,207,974 less than last year. There were no transfers to another funds.

Approximately 82.8% of fund balance constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is: 1) not in spendable form \$260,095, and 2) assigned for particular purposes \$2,729,541. The general fund is the chief operating fund of the TCPUD.

Management Discussion and Analysis, continued

General Fund Budgetary Highlights

The following table shows the variances of actuals to budget:

	<u>2021 Budget</u>	<u>2021 Actuals</u>	Variance with Final Budget - Positive (Negative)
REVENUES:			
Fees	\$ 758,689	\$ 773,344	\$ 14,655
Property taxes	7,915,614	8,085,735	170,121
Interest	42,004	38,156	(3,848)
Grants	60,365	23,299	(37,066)
Other	1,022,802	1,146,020	123,218
Total revenues	<u>\$ 9,799,474</u>	<u>\$ 10,066,554</u>	<u>\$ 267,080</u>

The Parks and Recreation total revenue is up from budget by \$267,080. Fees are up by \$14,655 due to Lake Forest Boat Ramp and golf daily fees and season passes offset by decrease recreation program revenues. Property tax exceeded budget by \$170,121 attributable to a conservative budget, rising assessed values, and Proposition 8 catchups. Grant revenue was less than budget by \$37,066 which bears a direct relationship to cost offsets in the sailing program.

	<u>2021 Budget</u>	<u>2021 Actuals</u>	Variance with Final Budget - Positive (Negative)
EXPENDITURES:			
Current:			
Public works - Parks	\$ 3,988,641	\$ 4,056,961	\$ (68,320)
Recreation	1,076,158	851,563	224,595
Other operating	690,646	126,699	563,947
Capital outlay	1,795,822	1,960,044	(164,222)
Total expenditures	<u>\$ 7,551,267</u>	<u>\$ 6,995,267</u>	<u>\$ 556,000</u>

Overall, parks and recreation direct and capital outlay expenditures were \$556,000 less than budget. Current parks and recreation expenditures were under budget in most categories and other operating was lower than budget due to special studies expenditures not taking place.

Capital Assets and Debt Administration

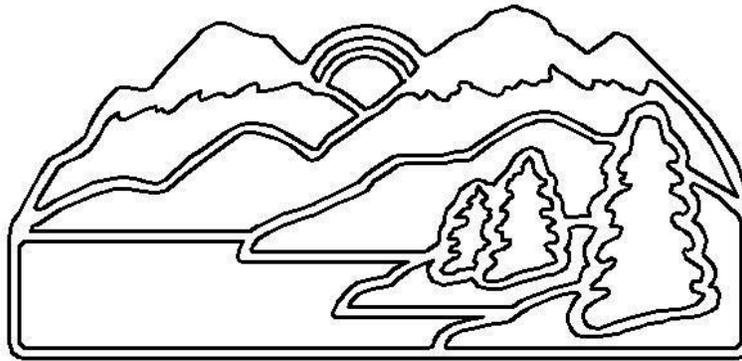
Capital Assets. The TCPUD investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounts to \$91,628,175 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, and park facilities. The total net increase in capital assets for the current fiscal year was approximately 7.6%.

Management Discussion and Analysis, continued

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Land	\$ 10,583,119	\$ 10,583,119	\$ 42,957	\$ 42,957	\$ 10,626,076	\$ 10,626,076
Facilities	20,787,090	20,038,294	39,739,527	39,988,480	60,526,617	60,026,774
Office building and equipment	2,354,125	2,323,874	3,882,171	3,512,771	6,236,296	5,836,645
Vehicles	268,371	250,359	1,639,729	1,682,723	1,908,100	1,933,082
Construction in progress	703,152	1,400,992	11,627,934	5,344,799	12,331,086	6,745,791
Total capital assets, net	<u>\$ 34,695,857</u>	<u>\$ 34,596,638</u>	<u>\$ 56,932,318</u>	<u>\$ 50,571,730</u>	<u>\$ 91,628,175</u>	<u>\$ 85,168,368</u>

During 2021, the TCPUD spent \$10,245,865 on capital items for the benefit of the community. The significant projects included in the \$10,245,865 were: 401 West Lake Boulevard building and ADA parking lot, the Tahoe City Golf Course/Winter Sports Park Maintenance Building, Madden Creek Water Interconnection, Tahoe Cedars 2nd Avenue Water Main Replacement, West Lake Tahoe Regional Water Treatment Plant, and various vehicle & equipment purchases.

Additional information on capital assets can be found in the notes to the financial statements (see note 4. Capital Assets).



Management Discussion and Analysis, continued

The following table presents the TCPUD's more significant capital additions during 2020 and 2021:

	Additions to Capital Assets	
	2020	2021
Governmental Activities		
Tahoe City Community Center Building Improvements*	\$ 36,708	\$ 578,934
Tahoe City Community Center Purchase*	4,805,709	-
Tahoe City Community Center Grounds Improvements*	2,800	72,728
Tahoe City Community Center Parking Lots - ADA Improvements*	-	579,644
Administrative Facility Improvements	74,846	-
Marie Sluchak Playground	35,560	-
Sugar Pine to Meeks Bay Bike Trail	19,000	-
TCGC/WSP Drainage	21,795	10,752
TCGC/WSP Maintenance Facility Replacement	1,096,634	603,821
Vehicles and Equipment	46,360	114,165
Other projects	28,606	-
Total governmental activities	6,168,018	1,960,044
Water Activities		
Madden Creek Water Interconnection	48,975	1,924,493
Madden Creek System Upgrades	13,844	2,788
Tahoe Cedars Water System Upgrades	112,161	31,978
Tahoe Cedars Distribution Phase 2	19,710	21,507
Tahoe Cedars 2nd Ave. Water Main Replacement	-	444,226
Timberland Interconnection & Distribution Improvements	1,307,659	41,323
Timberland Water System Upgrades	10,653	7,955
Replace Telemetry RTUs - Water	935	85,874
Rubicon Wells 2 & 3 Backup Power	-	2,921
Vehicles, Mobile Equipment, Equipment	74,404	127,347
West Lake Tahoe Regional Water Treatment Plant	1,538,501	4,534,699
West Shore Storage Augmentation	-	77,287
Other Projects	24,833	26,201
Total Water Activities	3,151,675	7,328,599
Sewer Activities		
Bay Vista Generator Install	88,020	60,385
Dollar/Edgewater Backup Power	34,539	2,086
Dollar/Edgewater Sewer Line Replacement	654,785	186,257
Emergency Bypass Pump Stations	-	51,440
Line Replacement / Slipling, Manhole Rehabilitation	52,493	25,080
Lonely Gulch Pump Station Generator Replacement	43,143	4,155
Pump Upgrades	1,486	47,816
Replacement RTUs	74,436	-
Tahoe City Residential Sewer System Rehabilitation # 3	5,255	136,935
Tahoma Generator Install	48,573	51,474
Transfer Switch Replacement	28,268	12,176
Satellite Pump Station Controls	-	50,802
Sewer Pump Station Improvements Various	-	75,742
Vehicles, mobile equipment, equipment	178,320	252,568
Other projects	17,486	306
Total Sewer activities	1,226,804	957,222
Total TCPUD	\$ 10,546,497	\$ 10,245,865

* Formerly 401 West Lake Blvd.

Management Discussion and Analysis, continued

In prior years, TCPUD has been able to secure significant capital grants to improve environmental protection and public access to Lake Tahoe when it did not have its own funding to advance these projects. Allowing TCPUD to proceed with projects such as Commons Beach, various phases of an off-highway bike and pedestrian trail link through Tahoe City known as the Lakeside Trail, the Upper Sequoia bike trail crossing, the Lake Forest Boat Ramp, the Truckee River Outlet Park Plaza, Heritage Plaza, and acquisition of a new mobile stage. Other projects such as the Homewood Bike Trail, completed construction October 2016 to address one mile of unsafe bike route, was largely funded by grant money. In 2018, the Truckee River Bike Trail Overlay project was completed and largely funded by TOT funds in the amount of \$1,623,981. TCPUD continues to aggressively pursue grant and TOT funds for parks and water projects benefiting the community at large.

Beginning in 2005 the TCPUD was able to fund an increased level of water and sewer capital projects including a new Highlands water tank, a new Harbor Master sewer pump station, the installation of residential water meters, Lake Forest Water System Replacement, acquired and improved the Tahoma Meadows Mutual Water Company, and a number of water line replacements. During this period, it became apparent to the TCPUD that a more significant level of water and sewer capital projects would be necessary going forward to meet ever more stringent regulatory requirements and maintain service levels. This led the Board of Directors to address water and sewer rates and their adequacy to fund critical capital into the future. In 2021, TCPUD was awarded \$1,751,654 in grants funds to be used for West Lake Tahoe Regional Water Treatment Plant, Lower Meeks Bay Pressure Reducing Station, Rubicon Tank & Wells projects, and for the development of water rights analysis. The Board has also engaged in a long-term financial planning process to address critical capital infrastructure going forward.

HDR Engineering, Inc. (HDR) was retained by the TCPUD in 2009 to perform TCPUD's first 2009-2013 water and sewer rate study and was subsequently hired and completed TCPUD's 2014-2019 and 2020-2024 water and sewer rate studies. The philosophical approach of TCPUD is to maintain a unified sewer and water system across our entire service area that equitably distributes the cost of current and future system needs, achieves the highest service standards, and provides all TCPUD customers with the benefit of an economy of scale for the operation, maintenance, and infrastructure investments in our sewer and water system District-wide. During the annual budget process, the Board of Directors reviews actual capital, operating costs, and revenues to the assumptions in the rate study before finalizing rates each year.

As part of the 2020-2024 rate study, HDR also assisted in the development of a rate transition plan for the private water systems acquired in 2018 - Timberland, Tahoe Cedars, and Madden Creek. Given the timing of improvements, and current rate levels, Timberland customers transitioned to the District's adopted rates on January 1, 2020. The Tahoe Cedars and Madden Creek systems currently have rates that are significantly less than the District's current rate levels. Given this, the District Board determined a rate transition plan was necessary to minimize impacts to these customers. The rate study developed a rate transition plan for these customers so that rates would smoothly adjust until equalizing to the District's Proposition 218 rates in 2024. The Board authorized staff to fund the difference in the rates through annual property tax revenue transferred to the water fund. In this way, existing customer rate revenue will not provide funding for the transition of the Tahoe Cedars and Madden Creek customers.

By the end of 2020, the Timberland water system was in compliance with TCPUD standards. In 2021, \$2,424,992 was invested in the Tahoe Cedars and Madden Creek water systems and will require significant investment to bring them into compliance with TCPUD standards. These two remaining private water systems acquired in 2018 are important components of the water rate

Management Discussion and Analysis, continued

study and presented challenges such as transitioning new water customers to current rates; addressing unmetered customers; and addressing the \$48.0 million in identified water capital improvements related to these two remaining water systems.

The TCPUD anticipates it will need to finance a portion of these replacement and rehabilitation costs in the near-term and secure additional revenue streams such as a special assessment or capital infrastructure charge to affected water customers. Also, West Lake Tahoe Regional Water Treatment Plant (WLTRWTP) work continues. Breaking ground on this project occurred in 2021 and TCPUD has secured a \$12 million State Revolving Fund (SRF) loan to fund this project and has made application to the SRF program to increase the borrowing to \$20 million because of rising cost. TCPUD continues to pursue grant funds for the WLTRWTP and for the Tahoe Cedars and Madden Creek water system projects and has secured \$5 million for the WLTRWTP awarded in 2022. The amended SRF loan will be approved mid-2022.

At December 31, 2021, the TCPUD utilized \$56,903,075 of gross depreciable capital assets at historical cost, consisting primarily of recreational facilities, in its Governmental Activities; and \$97,130,861 of gross depreciable capital assets at historical cost, consisting primarily of water and sewer plants, in its Business-type Activities.

TCPUD's reserve policies require an annual analysis to set reserve balances for the year. In 2021 Governmental Fund reserve balances were set for the Operating Reserves, Fleet & Equipment Reserves, Infrastructure Capital Replacement Reserves, and the Priority Project Capital Reserves at \$1,266,200, \$229,541, \$1,500,000, and \$1,000,000, respectively. Similarly, Business-type Activities reserve balances were set for the Operating Reserves, Fleet & Equipment Reserves, Infrastructure Capital Replacement Reserves, and the Water System Acquisition & Infrastructure Improvement Property Tax Reserve at \$2,208,607, \$659,731, \$3,500,000, and \$2,133,867, respectively.

The five-year capital plan for 2022-2026 is \$100,813,380, of which \$5,615,437 in parks capital grants are identified, of which \$179,750 has been secured. The five-year capital plan calls for \$57,070,527 for water, \$22,886,906 for sewer, \$16,776,947 for Parks and Recreation, \$2,239,000 for Governance and Administrative Services and \$1,840,000 for TCPUD vehicles. The water and sewer rate structure, capital infrastructure charge, grant funding, property tax and some level of capital financing make this level of capital improvements possible. The Long Term Financial Plan (LTFP) is critical to the capital planning process and will be used to identify levels of capital funding and possible financing opportunities on a project-by-project basis.

Long-term Debt. At the end of the current fiscal year, the TCPUD had total debt outstanding of \$3,705,496 backed by the full faith and credit of the government.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
State Revolving Loan	\$ 911,046	\$ 1,032,140	\$2,794,450	\$ -	\$3,705,496	\$1,032,140
Total long-term debt	\$ 911,046	\$ 1,032,140	\$2,794,450	\$ -	\$3,705,496	\$1,032,140

LTFP work continues and will be substantially completed in 2022 with an emphasis on infrastructure project prioritization and potential financing options. The Debt Management Policy Number 2040 provides guidelines for the structure of debt issuance, adherence to laws and regulations, and the commitment to a long-term financial planning process.

Management Discussion and Analysis, continued

There are several private water companies located on the west shore of Tahoe that from time to time, their owners or customers, approach TCPUD to purchase their water systems for a variety of reasons. It is often difficult for these systems to obtain financing for upgrades due to their small size. TCPUD may use its borrowing capacity in the near future and over the next decade to finance upgrades to water systems it acquires and be repaid by either special assessments or a capital infrastructure charge from these new water customers or property tax and continued grant funding as available. Per the District's Water System Acquisition Policy Number 2025, TCPUD intends to continue to assess and respond to the changing water needs in the community and provide for the equitable future use of property tax. In these circumstances, property tax may be used with Board approval.

The Governmental Accounting Standards Board (GASB) issued its Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* ("GASB 68"), with new pension reporting requirements for employers. GASB also issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68* ("GASB 71"), to clarify the transition year provisions of GASB 68. TCPUD implemented both GASB statements in 2017 and the 2021 net pension liability of \$8,025,238 has been recorded to the Government Wide Statement of Net Position.

GASB issued its Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. In 2018, TCPUD implemented both GASB statements and the 2021 net OPEB liability of \$3,487,947 has been recorded to the Government Wide Statement of Net Position.

On November 15, 2019, the Board of Directors adopted a new MOU covering classified employees with the International Union of Operating Engineers, Stationary Engineers, Local 39 covering the period January 1, 2020 - December 31, 2023.

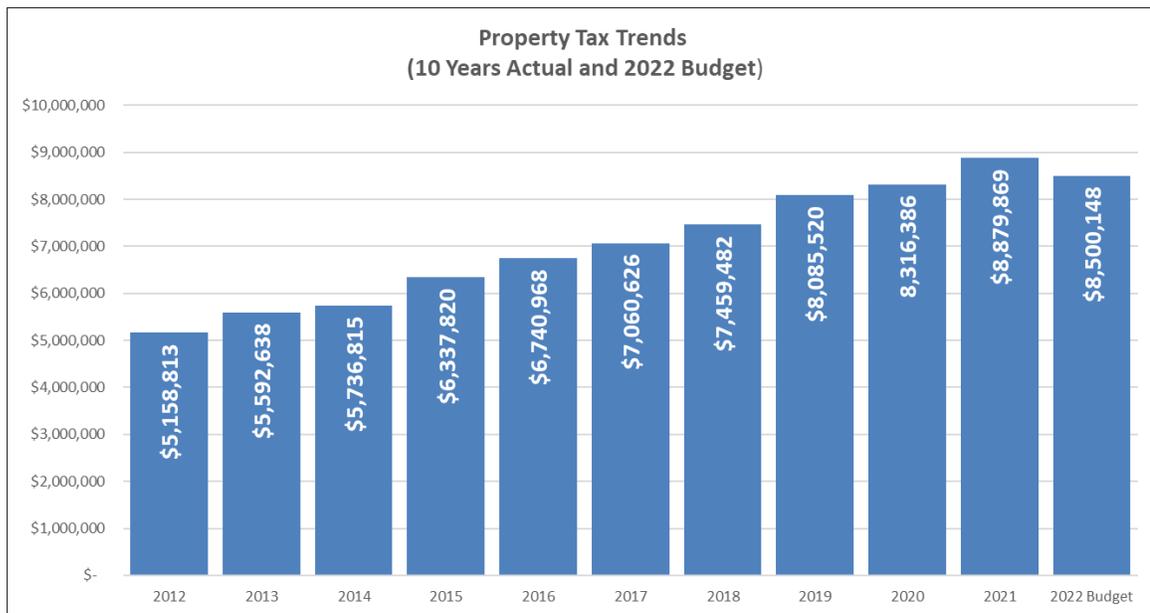
Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect TCPUD and were considered in developing the 2022 fiscal year budget:

- Property tax revenue continues to be a stable revenue source for TCPUD and is TCPUD's largest single source of revenue making up 33.5% or \$8,500,140 of the 2022 Budget less capital grants and bond proceeds. This revenue source continues to grow annually due to growth in assessed values. Under California property tax law, assessed value growth is capped at 2%, however; when real estate is sold, it is assessed for the new owner base, which is typically market value or purchase price. To the contrary, when market values drop below the Proposition 13 assessed values, much like what we saw in 2008, property tax will also decline as assessed values drop. 2021 continued to see an increase in regional home sales triggered by COVID-19 due to people working remotely and relocating from outside the area to the Tahoe-Truckee area. It's expected that this trend will continue through most of 2022 resetting the assessed values at a higher base. In times of recession and lower property values, a drop in property tax revenue in out years can be expected and home sales during a recession can trigger Proposition 8 catch-up provisions. Also, the impacts of Proposition 19, The Home Protection for Seniors, Severely Disabled, Families, and Victims

Management Discussion and Analysis, continued

or Wildfire or Natural Disasters Act, effective February 16, 2021, is unknown. In short, it allows eligible homeowners to transfer their property tax assessment to a new home allowing a lower tax base, thereby lowering property tax revenue. The 2015 actuals increased by 10.5% because of unbudgeted pass-through related to the dissolution of the Resource Development Agencies and Proposition 8 catchups, up to the maximum of the 2% cap for Proposition 13 assessed levels. The last ten years of actual property tax collected has seen an average increase of 5.4%. The 2022 budget is \$379,721 less than 2021 actuals and is a result of conservative budgeting for Redevelopment Agencies pass-through tax and ABX1 26 tax residual distributions redirecting tax increment funds brought about by the dissolution of Redevelopment Agencies in 2011. During the 2019 water and sewer rate study the Board of Directors approved a water rate transition plan for Tahoe Cedars and Madden Creek customers beginning January 1, 2020, through December 31, 2024, using property tax to make up the difference between the transition rate and the TCPUD Proposition 218 water rate. In 2021, the property tax use for the transition plan was \$561,664 and the 2022 budget is \$384,791. To provide relief to TCPUD's businesses impacted by the COVID-19 global pandemic, the Board approved a Commercial Sewer Rate relief program using \$92,768 from property tax to fund the program. The following Property Tax Trends bar graph shows the last 10 years of actual property tax collection and the 2022 budget.



- Water and sewer base rate revenues are a stable source of income. Due to TCPUD's widely fluctuating population, TCPUD's rate model relies mostly on the base rate to support operations, unlike metropolitan areas. Water base revenue makes up 73.4% of water's operating revenue. Other areas of the state with stable year-round populations can depend on collecting more of their fixed costs through their consumption rates; as customer usage characteristics are more uniform and predictable. Within TCPUD, over 70% of our homes are not occupied year-round. However, we must be staffed and able to provide water service to our customers whenever they arrive. In addition, we must operate our water system to provide full fire protection whether a residence is occupied or not. In areas such as Tahoe, widely fluctuating occupancies can leave a water system unable to support itself if too much of the revenue is dependent on the consumption rate. Sewer base rate revenues are 99.3% of operating revenue.

Management Discussion and Analysis, continued

- The current state of the drought in California has not improved and forecasts continue to support conditions worsening. In response, Governor Newsom has recently announced additional actions to be taken by the State Water Resources Control Board (Water Board) by issuing Executive Order No. 7-22 on March 28, 2022. Among the many actions requested within Executive Order No. 7-22, the Governor requested the Water Board, by May 25, 2022, consider adopting emergency regulations that require urban water suppliers to implement Stage 2 of their water shortage contingency plans, and prepare to reduce water use by up to 20%. TCPUD Board adopted Resolution 22-12 putting the District in compliance with this requirement. There are several other requested actions included in the executive order. Staff will continue to monitor the situation as the Water Board releases new regulations and information.
- On May 31, 2018, Governor Brown signed two bills which build on the ongoing efforts to make water conservation a California way of life. Senate Bill 606 Herzberg and AB 1668 Friedman emphasize efficiency and strengthening existing water supplies. SB 606 and AB 1668 establish guideline for efficient water use and a framework for the implementation and oversight of the new standards. The two bills strengthen the state's water resiliency in the face of future droughts with provisions that include:
 - AB 1668: By June 30, 2022, State Water Resource Control Board and Division of Water Resources to establish standards and performance measures to achieve an indoor per person water use goal of 55 gallons per day until 2025, 52.6 gallons from 2025 to 2030, and 50 gallons beginning in 2030; and
 - SB 606: By November 1, 2023, requires both urban retail and agricultural water suppliers to set annual urban water use objectives and prepare plans for drought.
 - TCPUD's ground water supplies are adequate to meet all demands now and into the future. Metering of water services has resulted in a significant reduction in total system water demands, as have intensive conservation efforts. Continued investments in water conservation, smart metering, leak detection, and water loss tracking will continue to reinforce TCPUD's commitment to conservation and position it to meet future standards.
- TCPUD's budget reflects the new normal of reduced consumption revenue. Consumption revenue represents 17.7% of water's operating revenue.
- TCPUD staff continue to work with our partners to support and advocate for legislation that recognizes firefighting infrastructure as a critical component to address drought and climate change adaptation. These legislatively enacted funding mechanisms could support improvement and/or replacement of the TCPUD's water delivery and storage infrastructure.
- On November 19, 2021, the Board adopted the 2022 operating and capital budgets for the Water Fund, Sewer Fund, and Government Funds, by adopting Resolution Numbers 21-46, 21-47, and 21-48, respectively. Early in 2022, the Governmental Funds Budget for 2022 was amended adding 2 new full-time positions to the Parks Department to ensure continued delivery of services to all facilities under management and operations, increasing the operating budget by \$236,042. TCPUD 2022 budget adoptions resulted in the following budget on budget changes:

Management Discussion and Analysis, continued

- Water Fund
 - Water rates approved to Proposition 218 rates resulting in overall revenues up 7.1% or \$600,961.
 - Personnel cost up 3.2% or \$58,686.
 - Operating expenses (excluding depreciation) up 8.4% or \$278,387.
 - Capital expenditures up 31.6% or \$3,042,815.
- Sewer Fund
 - Sewer rates approved to Proposition 218 rates resulting in overall revenues up 5.3% or \$302,043.
 - Personnel cost up 18.0% or \$264,259.
 - Operating expenses (excluding depreciation) up 8.6% or \$200,057.
 - Capital expenditures up 107.9% or \$1,824,094.
- Governmental Funds – amended budget
 - Revenues up 15.3% or \$275,773.
 - Personnel cost up 16.7% or \$179,161.
 - Operating expenses up 25.1% or 647,636.
 - Capital expenditures up 141.0% or \$2,532,614.
- District-wide personnel costs make up 68.5% of TCPUD’s direct operating budget, excluding depreciation, and every effort is made to control cost by working with the employees and their union/bargaining group. Toward the end of 2019, TCPUD entered union negotiations and successfully negotiated a four-year agreement. Preparing for the negotiations TCPUD performed a compensation study and used the study to negotiate a 6.0% salary range adjustment. Other results of the negotiations included: CalPERS Classic employees contribute 2.0% toward CalPERS normal cost in addition to the employee 8.0% contribution, the elimination of general leave cash-outs other than for emergency, health insurance waiver based on lowest cost insurance, employees opting PERS Select receive funding into Health Reimbursement Account in amount equal to one-half of annual difference between Select and Choice health plan savings, vision benefit increased to \$500 annually, providing classified employees a cell phone allowance, post-retirement medical benefits increased for inflation and minor changes and clean up to the MOU. The MOU will expire at the end of 2023. TCPUD will begin preparing for union negotiations in 2022.
- Rising pension costs remain in the forefront of planning. Toward the end of 2021, CalPERS completed the Asset Liability Management (ALM) process. The ALM process runs on a 4-year process and concluded in November 2021, resulting in the CalPERS Board of Administration holding the current discount rate of 6.8% and adopted new actuarial assumptions. The 6.8% will apply to fiscal years 2023-24. During 2022, TCPUD will be examining and considering a sustainable pension funding policy to address this rising cost through TCPUD’s Strategic Planning process.
- Other Post Employment Benefit (OPEB) costs, much like pension, face similar challenges such as rising health care costs and a rising retiree population. TCPUD will be examining and considering a sustainable OPEB funding policy to address this rising cost through TCPUD’s Strategic Planning process.
- TCPUD’s challenges to find employees is primarily due to the housing issues facing the North Tahoe, Truckee region. Workforce housing challenges continue to be at the forefront at a regional level in the North Tahoe, Truckee, and surrounding areas and TCPUD will remain engaged in the process. Led by the Tahoe Truckee Community Foundation, a

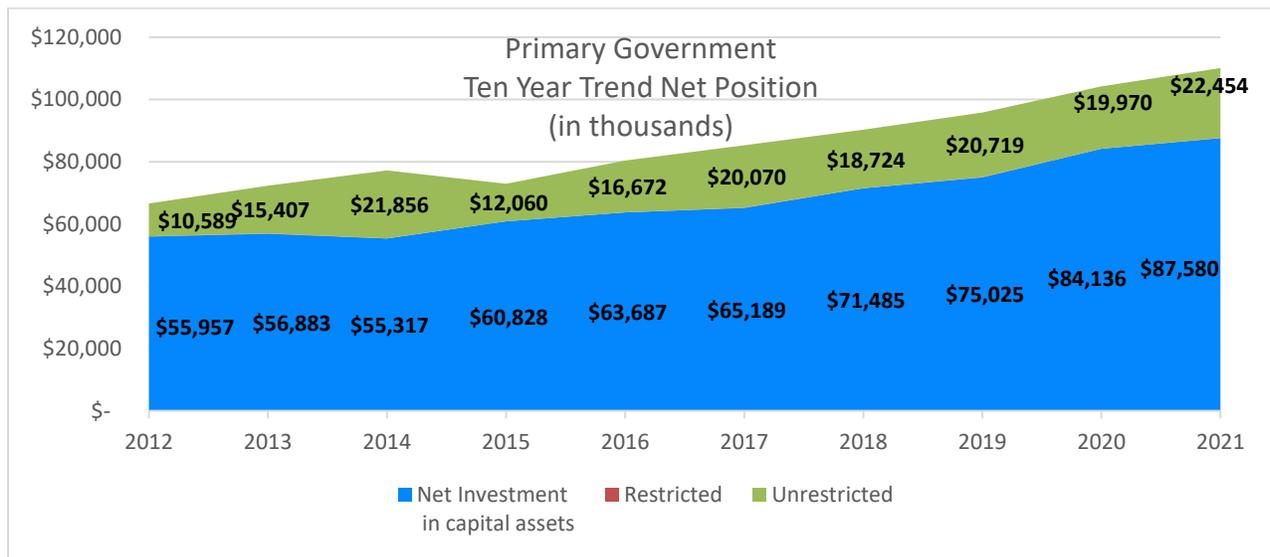
Management Discussion and Analysis, continued

regional workforce housing needs assessment was prepared and served as the springboard for other activities and reports addressing the workforce housing issues. TCPUD has made a commitment to help fund this effort and has authorized the General Manager and assigned a Board Member to participate on the Council and at subcommittee levels.

- The COVID-19 outbreak, officially categorized a pandemic as of March 11, 2020, prompted global health concerns. TCPUD swiftly took proactive measures to protect staff, to ensure continuation of essential sewer and water services, and to do its part within the community to help slow the spread of the virus. COVID-19 Risk Minimization and Response Plans were quickly put in place. These proactive measures continued into 2021 and risk minimization and response plans were updated and amended in line with the Department of Public Health and Cal OSHA mandates and guidelines. The 2022 budget was prepared with COVID-19 related expenses and is positioned to respond and extend assistance as needed to its customer base.

Summary

The TCPUD's overall financial health continues to improve over the last ten years. Fiscal year 2015 saw a decline in unrestricted-net position due to the implementation of GASB 68 as did fiscal year 2018 due to implementation of GASB Statement No. 75. Currently, 2021 fiscal year shows net position overall increasing year on year.

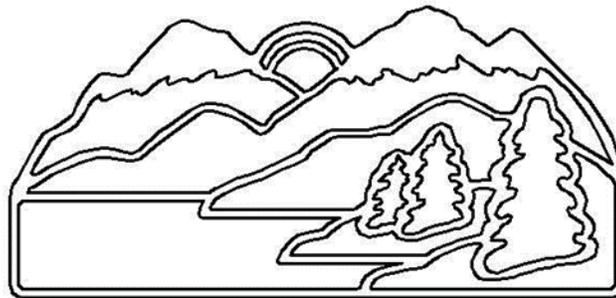


Net investment in capital assets increased \$3,444,029 or 4.1% because of the addition of the SRF loan, paying down related debt, various ongoing capital projects such as the WLTRWTP, Tahoe City Community Center improvements (formerly 401 West Lake Blvd.), golf course/winter sports park maintenance building, Tahoe Cedars and Madden Creek water systems, other various infrastructure projects, and vehicles and equipment purchases.

Management Discussion and Analysis, continued

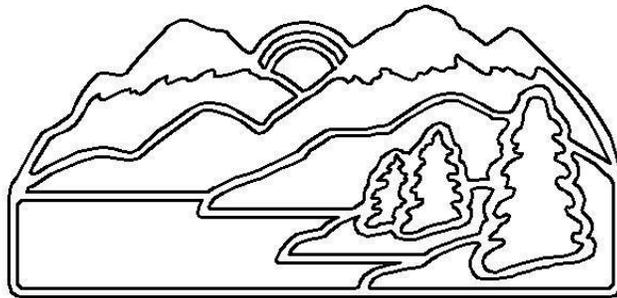
Requests for Information

The TCPUD's financial statements are designed to present users (citizens, taxpayers, customers, vendors, and creditors) with a general overview of the TCPUD's finances and to demonstrate financial accountability. If you have questions about this report or need additional financial information, please contact the TCPUD's Chief Financial Officer/Treasurer at 221 Fairway Drive, P.O. Box 5249, Tahoe City, California 96145 or call 530-583-3796.



Basic Financial Statements

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Government-Wide Financial Statements

- Statement of Net Position
- Statement of Activities

Tahoe City Public Utility District
Statement of Net Position
December 31, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 12,124,954	\$ 13,671,306	\$ 25,796,260
Restricted cash and investments	310,530	-	310,530
Receivables:			
Accounts	-	790,010	790,010
Interest	5,581	836	6,417
Taxes	4,921,733	-	4,921,733
Grants	11,035	33,394	44,429
Other	672,095	2,814,293	3,486,388
Allowance for doubtful accounts	(3,525)	(7,050)	(10,575)
Inventories	38,138	341,520	379,658
Prepaid items and other assets	221,957	459,170	681,127
Total current assets	18,302,498	18,103,479	36,405,977
Noncurrent assets:			
Restricted cash and investments	13,800	203,108	216,908
Facility improvement receivables	-	45,947	45,947
Capital assets:			
Non-depreciable	11,286,271	11,670,891	22,957,162
Depreciable, net	23,409,586	45,261,427	68,671,013
Total capital assets, net	34,695,857	56,932,318	91,628,175
Total noncurrent assets	34,709,657	57,181,373	91,891,030
Total assets	53,012,155	75,284,852	128,297,007
DEFERRED OUTFLOWS OF RESOURCES			
Changes in the net pension liability	777,805	1,479,127	2,256,932
Changes in other post retirement benefits liability	610,062	1,335,294	1,945,356
Net goodwill	-	3,926,264	3,926,264
Total deferred outflows of resources	1,387,867	6,740,685	8,128,552

The notes to the financial statements are an integral part of this statement.

Tahoe City Public Utility District
Statement of Net Position - Continued
December 31, 2021

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current liabilities:			
Accounts payable	261,058	501,401	762,459
Accrued payroll and benefits payable	47,693	144,587	192,280
Employee medical reimbursement payable	312,150	-	312,150
Interest payable	4,106	-	4,106
Deposits payable	60,411	285,724	346,135
Other liabilities	234,160	818,373	1,052,533
Unearned revenue	47,621	-	47,621
Compensated absences-due within one year	211,617	282,054	493,671
Long-term liabilities-due within one year	123,277	-	123,277
Total current liabilities	<u>1,302,093</u>	<u>2,032,139</u>	<u>3,334,232</u>
Noncurrent liabilities:			
Long-term liabilities-due in more than one year	787,769	2,794,450	3,582,219
Net pension liability	3,512,025	4,513,213	8,025,238
Net other post employment benefit liability	1,056,921	2,431,026	3,487,947
Total non-current liabilities	<u>5,356,715</u>	<u>9,738,689</u>	<u>15,095,404</u>
Total liabilities	<u>6,658,808</u>	<u>11,770,828</u>	<u>18,429,636</u>
DEFERRED INFLOWS OF RESOURCES			
Changes in the net pension liability	2,037,570	5,382,921	7,420,491
Changes in other post retirement benefits liability	126,459	350,190	476,649
Total deferred inflows of resources	<u>2,164,029</u>	<u>5,733,111</u>	<u>7,897,140</u>
NET POSITION			
Net investment in capital assets	34,607,266	52,972,992	87,580,258
Restricted for:			
Guarantee permit and payment performance	13,800	51,200	65,000
Unrestricted	10,956,119	11,497,406	22,453,525
Total net position	<u>\$ 45,577,185</u>	<u>\$ 64,521,598</u>	<u>\$ 110,098,783</u>

The notes to the financial statements are an integral part of this statement.

Tahoe City Public Utility District
Statement of Activities
For the year ended December 31, 2021

Functions / Programs	Program Revenues						Net (Expense) Revenue and Changes in Net Position		
	Direct Expenses	Indirect Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Governmental Activities	Business-Type Activities	Total
Primary Government:									
Governmental activities:									
Public works - Parks	\$ 6,112,865	\$ 382,202	\$ 1,636,096	\$ 14,863	\$ 23,566	\$ 1,674,525	\$ (4,820,542)	\$ -	\$ (4,820,542)
Recreation	1,013,467	16,514	273,632	7,411	-	281,043	(748,938)	-	(748,938)
Interest on long-term debt (unallocated)	-	18,064	-	-	-	-	(18,064)	-	(18,064)
Total governmental activities	7,126,332	416,780	1,909,728	22,274	23,566	1,955,568	(5,587,544)	-	(5,587,544)
Business-type activities:									
Water	7,365,186	246,430	8,317,778	137,146	758,090	9,213,014	-	1,601,398	1,601,398
Sewer	4,768,607	9,748	5,643,421	96,031	-	5,739,452	-	961,097	961,097
Total business-type activities	12,133,793	256,178	13,961,199	233,177	758,090	14,952,466	-	2,562,495	2,562,495
Total primary government	\$ 19,260,125	\$ 672,958	\$ 15,870,927	\$ 255,451	\$ 781,656	\$ 16,908,034	(5,587,544)	2,562,495	(3,025,049)
General Revenues:									
Property taxes							8,225,437	654,432	8,879,869
Investment earnings							38,156	34,523	72,679
Total general revenues							8,263,593	688,955	8,952,548
Change in net position							2,676,049	3,251,450	5,927,499
Net position - Beginning							42,901,136	61,270,148	104,171,284
Net position - Ending							\$ 45,577,185	\$ 64,521,598	\$ 110,098,783

The notes to the financial statements are an integral part of this statement.

Fund Financial Statements

- Governmental Funds
 - Balance Sheet
 - Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position of Governmental Activities
 - Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds
 - Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Funds to the Statement of Activities

- Proprietary Funds
 - Statement of Net Position
 - Statement of Revenues, Expenses and Changes in Net Position
 - Statement of Cash Flows

Tahoe City Public Utility District
Balance Sheet – Governmental Funds
December 31, 2021

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash	\$ 12,124,954	\$ -	\$ 12,124,954
Restricted cash	324,330	-	324,330
Receivables:			
Interest	5,581	-	5,581
Taxes	4,921,733	-	4,921,733
Grants	11,035	-	11,035
Other	672,095	-	672,095
Allowance for doubtful accounts	(3,525)	-	(3,525)
Inventory	38,138	-	38,138
Prepaid items and other assets	221,957	-	221,957
Total assets	<u>18,316,298</u>	<u>-</u>	<u>18,316,298</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 261,058	\$ -	\$ 261,058
Accrued payroll and benefits payable	47,693	-	47,693
Employee medical reimbursement payable	312,150	-	312,150
Deposits payable	60,411	-	60,411
Other liabilities	234,160	-	234,160
Unearned revenue	47,621	-	47,621
Total liabilities	<u>963,093</u>	<u>-</u>	<u>963,093</u>
Fund Balances:			
Non-spendable	260,095	-	260,095
Assigned			
Long-term equipment and capital replacement	2,729,541	-	2,729,541
Unassigned fund balance			
General Fund	14,363,569	-	14,363,569
Total fund balances	<u>17,353,205</u>	<u>-</u>	<u>17,353,205</u>
Total liabilities and fund balances	<u>\$ 18,316,298</u>	<u>\$ -</u>	<u>\$ 18,316,298</u>

The notes to the financial statements are an integral part of this statement.

Tahoe City Public Utility District
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position of Governmental Activities
 December 31, 2021

Total Fund Balances - Governmental Funds \$ 17,353,205

Amounts reported for governmental activities in the Statement of Net Position were different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Capital assets were adjusted as follows:

Non-depreciable	11,286,271
Depreciable, net	23,409,586
Total capital assets, net	34,695,857

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the Governmental Funds Balance Sheet.	(4,106)
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Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

Compensated absences - due within one year	(211,617)
Long-term debt - due within one year	(123,277)
Long-term debt - due in more than one year	(787,769)
Total long-term liabilities	(1,122,663)

Long-term net pension liability, which is based on GASB 68 reporting requirements, is not due and payable in the current period and therefore is not reported in the governmental funds.

Net pension liability	(3,512,025)
Deferred outflows, related to pension expense	777,805
Deferred inflows, related to pension expense	(2,037,570)
Total long-term net pension liability	(4,771,790)

Long-term net other post employee benefits liability, which is based on GASB 75 reporting requirements, is not due and payable in the current period and therefore is not reported in the governmental funds.

Net other post employee benefits liability	(1,056,921)
Deferred outflows, related to other post employee benefits expense	610,062
Deferred inflows, related to other post employee benefits expense	(126,459)
Total long-term net other post employee benefits liability	(573,318)

Total Net Position of Governmental Activities \$ 45,577,185

The notes to the financial statements are an integral part of this statement.

Tahoe City Public Utility District
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2021

	General	Debt Service	Total Governmental Funds
REVENUES:			
Fees	\$ 773,344	\$ -	\$ 773,344
Property taxes	8,085,735	139,704	8,225,439
Interest	38,156	-	38,156
Grants	23,299	-	23,299
Other	1,146,020	-	1,146,020
Total revenues	10,066,554	139,704	10,206,258
EXPENDITURES:			
Current:			
Public works - Parks	3,785,278	-	3,785,278
Recreation	851,563	-	851,563
Other operating	398,382	-	398,382
Capital outlay	1,960,044	-	1,960,044
Debt service:			
Principal	-	121,094	121,094
Interest	-	18,610	18,610
Total expenditures	6,995,267	139,704	7,134,971
REVENUES OVER EXPENDITURES	3,071,287	-	3,071,287
OTHER FINANCING SOURCES (USES):			
Proceeds from the sale of assets	12,905	-	12,905
Total other financing sources (uses)	12,905	-	12,905
Net change in fund balances	3,084,192	-	3,084,192
FUND BALANCES:			
Beginning of year	14,269,013	-	14,269,013
End of year	<u>\$ 17,353,205</u>	<u>\$ -</u>	<u>\$ 17,353,205</u>

The notes to the financial statements are an integral part of this statement.

Tahoe City Public Utility District
 Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balance of the Governmental Funds
 to the Statement of Activities
 For the year ended December 31, 2021

Net Change in Fund Balances - Governmental Funds	\$ 3,084,192
Amounts reported for governmental activities in the Statement of Activities and Changes in Net Position were different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated useful lives as depreciation expense.	1,960,044
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the Governmental Funds.	(1,860,824)
Repayment of bond principal was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	121,094
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	
Change in compensated absences	(4,346)
Change in accrued interest	546
Change in pension expense based on GASB 68 adjustments	(647,915)
Change in OPEB expense based on GASB 75 adjustments	23,258
	<hr/>
Change in Net Position of Governmental Activities	\$ 2,676,049
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The notes to the financial statements are an integral part of this statement.

Tahoe City Public Utility District
Statement of Net Position – Proprietary Funds
December 31, 2021

	Proprietary Funds		Total
	Water Fund	Sewer Fund	Proprietary Funds
ASSETS			
Current assets:			
Cash and investments	\$ 3,668,139	\$ 10,003,167	\$ 13,671,306
Receivables:			
Accounts	448,269	341,741	790,010
Grants	7,206	26,188	33,394
Interest	836	-	836
Other	2,814,293	-	2,814,293
Allowance for doubtful accounts	(3,525)	(3,525)	(7,050)
Inventories	296,753	44,767	341,520
Prepaid items and other assets	259,725	199,445	459,170
Total current assets	<u>7,491,696</u>	<u>10,611,783</u>	<u>18,103,479</u>
Noncurrent assets:			
Restricted cash and investments	192,608	10,500	203,108
Facility improvement receivables	27,018	18,929	45,947
Capital assets:			
Non-depreciable assets	10,956,662	714,229	11,670,891
Depreciable assets, net	32,114,868	13,146,559	45,261,427
Total capital assets, net	<u>43,071,530</u>	<u>13,860,788</u>	<u>56,932,318</u>
Total noncurrent assets	<u>43,291,156</u>	<u>13,890,217</u>	<u>57,181,373</u>
Total assets	<u>50,782,852</u>	<u>24,502,000</u>	<u>75,284,852</u>
DEFERRED OUTFLOWS OF RESOURCES			
Changes in the net pension liability	826,893	652,234	1,479,127
Changes in other post retirement benefits liability	667,647	667,647	1,335,294
Net goodwill	3,926,264	-	3,926,264
Total deferred outflows of resources	<u>5,420,804</u>	<u>1,319,881</u>	<u>6,740,685</u>
LIABILITIES			
Current liabilities:			
Accounts payable	380,896	120,505	501,401
Accrued payroll and benefits payable	79,642	64,945	144,587
Deposits payable	191,683	94,041	285,724
Other liabilities	772,125	46,248	818,373
Compensated absences	152,033	130,021	282,054
Total current liabilities	<u>1,576,379</u>	<u>455,760</u>	<u>2,032,139</u>
Noncurrent liabilities:			
Net pension liability	2,701,501	1,811,712	4,513,213
Net other post employment benefit liability	1,215,512	1,215,514	2,431,026
Long-term debt - due in more than one year	2,794,450	-	2,794,450
Total noncurrent liabilities	<u>6,711,463</u>	<u>3,027,226</u>	<u>9,738,689</u>
Total liabilities	<u>8,287,842</u>	<u>3,482,986</u>	<u>11,770,828</u>
DEFERRED INFLOWS OF RESOURCES			
Changes in the net pension liability	3,114,691	2,268,230	5,382,921
Changes in other post retirement benefits liability	175,095	175,095	350,190
Total deferred inflows of resources	<u>3,289,786</u>	<u>2,443,325</u>	<u>5,733,111</u>
NET POSITION			
Net investment in capital assets	40,023,250	12,949,742	52,972,992
Restricted for:			
Guarantees of permit performance	50,700	500	51,200
Unrestricted	4,552,078	6,945,328	11,497,406
Total net position	<u>\$ 44,626,028</u>	<u>\$ 19,895,570</u>	<u>\$ 64,521,598</u>

The notes to the financial statements are an integral part of this statement.

Tahoe City Public Utility District
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds
For the year ended December 31, 2021

	Proprietary Funds		Total
	Water Fund	Sewer Fund	Proprietary Funds
OPERATING REVENUES:			
Service and inspection fees	\$ 8,163,270	5,557,769	\$ 13,721,039
Connection fees	46,038	15,150	61,188
Property tax for operations	561,664	92,768	654,432
Penalties and discounts	33,663	21,796	55,459
Grant revenue	895,236	96,031	991,267
Other	74,807	27,773	102,580
Total operating revenues	9,774,678	5,811,287	15,585,965
OPERATING EXPENSES:			
Personnel	2,874,192	2,190,794	5,064,986
Operations	3,198,523	1,959,905	5,158,428
Depreciation	1,293,510	627,656	1,921,166
Total operating expenses	7,366,225	4,778,355	12,144,580
OPERATING INCOME	2,408,453	1,032,932	3,441,385
NONOPERATING REVENUES (EXPENSES):			
Interest income	15,263	19,260	34,523
Gain on disposal	-	20,933	20,933
Amortization	(245,391)	-	(245,391)
Total nonoperating revenues (expenses)	(230,128)	40,193	(189,935)
Change in net position	2,178,325	1,073,125	3,251,450
NET POSITION:			
Net position - Beginning	42,447,703	18,822,445	61,270,148
Net position - ending	\$ 44,626,028	\$ 19,895,570	\$ 64,521,598

The notes to the financial statements are an integral part of this statement.

Tahoe City Public Utility District
Statement of Cash Flows – Proprietary Funds
For the year ended December 31, 2021

	Proprietary Funds		Total
	Water Fund	Sewer Fund	Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 8,385,887	\$ 5,583,141	\$ 13,969,028
Receipts from property tax used for operations	561,664	92,768	654,432
Receipts from grants	895,236	96,031	991,267
Payments to suppliers	(2,732,689)	(2,298,791)	(5,031,480)
Payments to employees	(1,828,026)	(1,403,592)	(3,231,618)
Net cash provided by operating activities	5,282,072	2,069,557	7,351,629
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(7,328,599)	(957,222)	(8,285,821)
Proceeds from sales of capital assets	-	25,000	25,000
Net cash used by capital and related financing activities	(7,328,599)	(932,222)	(8,260,821)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	14,534	19,260	33,794
Net cash provided by investing activities	14,534	19,260	33,794
Net increase (decrease) in cash and cash equivalents	(2,031,993)	1,156,595	(875,398)
CASH AND CASH EQUIVALENTS			
Beginning of year	5,892,740	8,857,072	14,749,812
End of year	<u>\$ 3,860,747</u>	<u>\$ 10,013,667</u>	<u>\$ 13,874,414</u>
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	\$ 3,668,139	\$ 10,003,167	\$ 13,671,306
Restricted cash and cash equivalents	192,608	10,500	203,108
Total cash and cash equivalents	\$ 3,860,747	\$ 10,013,667	\$ 13,874,414
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	\$ 2,408,453	\$ 1,032,932	\$ 3,441,385
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,293,510	627,656	1,921,166
Changes in assets and liabilities:			
(Increase) Decrease in:			
Accounts receivable	(99,961)	(97,725)	(197,686)
Grants receivable	68,512	-	68,512
Other receivable	6,682	1,512	8,194
Allowance for doubtful accounts	(184)	(184)	(368)
Facilities improvement receivables	3,402	47,581	50,983
Inventories	(50,779)	10,718	(40,061)
Prepaid items and other assets	(25,241)	(38,489)	(63,730)
Net change in deferred outflows and inflows	3,010,110	2,193,562	5,203,672
Increase (Decrease) in:			
Accounts payable	(172,851)	(290,565)	(463,416)
Accrued payroll and benefits	2,178	17,408	19,586
Deposits payable	89,658	9,469	99,127
Net change in other liabilities	714,705	(20,550)	694,155
Net pension liability, OPEB and other liabilities	(1,957,183)	(1,431,944)	(3,389,127)
Compensated absences	(8,939)	8,176	(763)
Net cash provided by operating activities	\$ 5,282,072	\$ 2,069,557	\$ 7,351,629

The notes to the financial statements are an integral part of this statement.

Notes to the Basic Financial Statements

**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Tahoe City Public Utility District (TCPUD) was incorporated on December 20, 1938, as a California Special District and is governed by an elected Board of Directors (Board) consisting of five members. The TCPUD's administrative functions are controlled by an appointed TCPUD general manager. The TCPUD provides the following services to the community: water and sewer services, recreation programs, maintenance of parks, golf, winter sports park, beaches, bike trails, sidewalks and street lighting, and use of community buildings.

A. Reporting Entity

The financial reporting entity consists of the TCPUD (the primary government) and its component unit, discussed below. Component units are legally separate organizations for which the Board of Directors is financially accountable, or other organizations whose nature and significant relationship with the TCPUD are such that exclusion would cause the TCPUD's financial statements to be misleading or incomplete.

As required by Generally Accepted Accounting Principles (GAAP), basic financial statements present the TCPUD and its component unit for which the TCPUD is financially accountable. The TCPUD had no discretely presented component units. Blended component units, although legally separate entities are, in substance, part of the TCPUD's operations and data from these units are combined with data of the TCPUD. The following entity is deemed to be a blended component unit:

The Tahoe City Public Utility District Public Facilities Financing Corporation (Corporation) was formed on January 29, 1993, as a nonprofit public benefit corporation to provide assistance to the TCPUD by financing the acquisition, construction and installation of public facilities, to acquire real and personal property on behalf of the TCPUD, and to borrow the necessary funds to pay the cost of such activities including refinancing. The Corporation is controlled by the TCPUD and has the same governing body as the TCPUD, which also performs all accounting and administrative functions for the Corporation. The Corporation has a December 31 year-end and had no assets, liabilities, or activity as of and for the year ended December 31, 2021.

B. Basis of Accounting and Measurement Focus

The TCPUD's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States. The Government Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

Government-Wide Financial Statements

The TCPUD's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities.

The Government-Wide Financial Statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all the TCPUD's assets and deferred outflows of resources and liabilities and deferred inflows of resources, including

**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Government-Wide Financial Statements, Continued

capital assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions reported as program revenues for the TCPUD are reported in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. The following interfund activities have been eliminated:

- Due to/from
- Transfers in/out

The TCPUD applies all applicable GASB pronouncements (including all National Council on Governmental Accounting (NCGA) Statements and Interpretations currently in effect).

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the Government-Wide Financial Statements. The TCPUD has presented all funds as major funds.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are recorded when received in cash, except those revenues subject to accrual (generally received up to 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the TCPUD, are property tax, grant revenues and earnings on investments. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for the proprietary funds.

The TCPUD has two propriety funds that are enterprise funds which accounts for the TCPUD's water and sewer activities and supporting engineering and technical services functions.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and deferred outflows of resources and liabilities and deferred inflows of resources (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the water and sewer operations and supporting engineering and technical functions of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

Use of Restricted/Unrestricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the TCPUD's policy is to apply restricted resources first.

Description of TCPUD Funds

The TCPUD reported all its funds as major funds in the accompanying financial statements as follows:

Governmental Funds:

The General Fund - The General Fund is used for all general revenues and the related expenditures of the TCPUD not specifically levied or collected for other TCPUD funds. The general fund accounts for all financial resources of a governmental unit which are not accounted for in another fund.

Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Debt Service Fund - This fund accounts for resources accumulated to pay principal and interest due on the TCPUD's general long-term debt associated with equipment and facilities financed by the TCPUD.

Proprietary Funds:

Water Enterprise Fund - This fund accounts for the operation, maintenance, and development of the TCPUD's water production and distribution system and supporting engineering functions.

Sewer Enterprise Fund - This fund accounts for the operation, maintenance, and development of the TCPUD's sewage collection and transportation system and supporting engineering functions.

C. Cash, Cash Equivalents and Investments

The TCPUD's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as cash and investments.

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB No. 3)*, certain disclosure requirements for Deposits and Investment Risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The TCPUD participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.

The TCPUD is also a voluntary participant in the Placer County Investment Fund (County Pool) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the County. The TCPUD reports its investment in the County Pool at the fair value

Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Cash, Cash Equivalents and Investments, Continued

amount provided by the County. The investment of money on deposit is limited to those investments specified by California Government Code Section 53601 and 53635. Included in the County Pool's investment portfolio are US Treasury Notes, Obligations issued by agencies of the United States Government, LAIF, Corporate Notes, Commercial Paper, collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations.

For purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all investments, as the TCPUD operates an internal cash management pool which maintains the general characteristics of a demand deposit account.

D. Restricted Cash and Investments

Restricted cash and investments are comprised of certificates of deposit which guarantee performance of construction permit provisions, an escrow account for security deposits in lieu of retention, and an employee medical reimbursement account for which the TCPUD acts as trustee.

E. Inventory and Prepaid Items

Inventories are valued at cost using the first-in /first-out (FIFO) method and consist of supplies used in the maintenance of water and sewer lines, sidewalk fixtures, benches, and conservation kits. Change in the inventory balances are reported as a direct adjustment to the water, sewer, and parks expenditures.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

F. Capital Assets

The TCPUD defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Costs include direct labor and benefits, outside services, and materials and transportation. Interest incurred in the enterprise fund during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is provided using the straight line method: the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The TCPUD has assigned the useful lives listed below to capital assets:

**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Capital Assets, Continued

	<u>Useful Lives</u>
Water and sewer plant	10-50
Recreational facilities	10-20
Building	40
Equipment	3-20
Vehicles	5-13

G. Interest Payable

In the Government-Wide Financial Statements, interest payable on long-term debt is recognized as the liability is incurred for governmental fund activities and business-type activities.

In the fund financial statements, propriety fund types recognize interest payable when the liability is incurred. Governmental funds recognize interest expense when paid.

H. Unearned Revenue

In the Government-Wide Financial Statements and Proprietary Fund Financial Statements, unearned revenue is recognized for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues in the Government-Wide Financial Statements are grants received but not yet earned and prepaid charges for services.

In the Fund Financial Statements, unearned revenue is recorded when revenue has not yet been earned or when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. At December 31, 2021, all deferred revenues in the Fund Financial Statements represent revenues that were not earned at year-end. Therefore, all the deferred revenues in the Fund Financial Statements were reported as unearned revenue in the Government-Wide Financial Statements.

I. Deferred Outflows/Inflows of Resources

The TCPUD applies the provision of GASB Statement no. 63, *Financial Reporting of Deferred Outflow of Resources, Deferred Inflows of Resources and Net Position*. The statement requires that the difference between assets, deferred outflow of resources, liabilities, and deferred inflow of resources be reported as net position. The impact of deferred outflow of resources and deferred inflow of resources on net position are explained in the following paragraphs.

As of December 31, 2021, the TCPUD has three items reported as deferred outflow of resources. The first two items are the deferred outflow of resources related to pension and OPEB in the amount of \$2,256,932 and \$1,945,356, respectively. These amounts include the pension contributions made after the measurement date of the net pension liability, differences between expected and actual experience for both pension and OPEB, change in assumptions for both

Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Deferred Outflows/Inflows of Resources, Continued

pension and OPEB, net difference between projected and actual earnings on pension plan investments, an adjustment due to differences in proportions for pension, and difference between the employer's contributions and the employer's proportionate share of contributions for pension. Refer to Notes 10 and 11 for additional information. The third item relates to the deferred outflow of resource of \$3,926,264 at December 31, 2021. This amount relates to the 2018 purchase of three private companies in the amount of \$5,145,000 and represents the difference in the market value of the assets of the three private water companies purchase price, net of amortization. The deferred outflow of resources on the purchase are amortized over 20 years of which 16 years is remaining.

As of December 31, 2021, the TCPUD has two items reported as deferred inflow of resources. The two items are the deferred inflow of resources related to pension and OPEB in the amount of \$7,420,491 and \$476,649, respectively. These amounts include the differences between expected and actual experience for both pension and OPEB, change in assumptions for both pension and OPEB, net difference between projected and actual earnings on pension plan investments, an adjustment due to differences in proportions for pension, and difference between the employer's contributions and the employer's proportionate share of contributions for pension. Refer to Notes 10 and 11 for additional information.

J. Long-Term Liabilities

Government-Wide and Proprietary Fund Financial Statements - Long-term liabilities and other long-term obligations are reported as liabilities in the appropriate activities.

Bond premiums and discounts, as well as bond insurance, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs (other than bond insurance) are expensed as incurred.

Governmental Fund Financial Statements - The fund financial statements do not present long-term liabilities, but they are presented in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

Bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, whether or not withheld from the actual net proceeds received, are reported as debt service expenditures.

K. Compensated Absences

Compensated absences comprise portions of vacation leave which are accrued as earned but not yet used by TCPUD employees. Compensated absences expense is charged to the various departments as the expense is incurred. The liability for compensated absences incurred in the proprietary fund is recorded in the fund and in the business-type activities of the government-

**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. Compensated Absences, Continued

wide financial statements. The liability incurred by governmental funds is recorded as part of governmental activities in the government-wide financial statements as these liabilities are not current and are not recorded in the funds. The General Fund is used to liquidate the liability for compensated absences of the governmental funds.

L. Property Tax

Placer and El Dorado Counties assess properties and bill, collect, and distribute property taxes to the TCPUD. Secured and unsecured property taxes are levied on August 31 of the preceding fiscal year.

Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent on August 31. The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the TCPUD in the year they are assessed provided they become available as defined above.

M. Pensions

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 TCPUD's California Public Employee's Retirement System (CalPERS) plan (the Plan) and the 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. Investments are reported at fair value.

N. Other Post Employment Benefit

For the purpose of measuring the net OPEB liability (asset) and deferred outflows / inflows of resources related to OPEB, and OPEB expense (income), information about the fiduciary net position of the TCPUD's plan (Plan) additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Net Position and Fund Balance

Government-Wide Financial Statements

In the Government-Wide Financial Statements, net position is classified in the following categories:

**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

O. Net Position and Fund Balance, Continued

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of governments.

Unrestricted Net Position – This amount is all net positions that do not meet the definition of “net investment in capital assets” or “restricted net position” as defined above.

Fund Financial Statements

Fund balance is defined as the difference between assets and liabilities.

The TCPUD’s Board adopted Resolution 11-39 for the Classification of the Fund Balances as required by GASB No. 54 and adoption of the General Fund Reserve Policy.

Nonspendable - amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact. Examples of nonspendable fund balances include inventory and prepaid items.

Restricted fund balances - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balances - amounts that can only be used for specific purposes determined by formal action of TCPUD’s highest level of decision-making authority (the Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period. An ordinance or resolution adopted by the Board of Directors is considered an equally binding constraint of formal action.

Assigned fund balances - amounts that are constrained by the TCPUD’s intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose. The Board of Directors makes the final decision on assigned fund balance.

Unassigned fund balances - the residual classification for the TCPUD’s General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, or if the fund has a deficit fund balance.

Fund Balance Flow Assumptions: On occasion, the TCPUD has outlays for which both restricted and unrestricted amounts (i.e., total committed, unassigned and assigned fund balance) could be used. When such an outlay occurs, the TCPUD considers unrestricted fund balance depleted before restricted fund balance. When an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the TCPUD considers

**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

O. Net Position and Fund Balance, Continued

committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

Fund Balance Policies: The TCPUD Board fund balance commitments by adoption of a resolution. Assigned fund balances are established by the TCPUD Board by Resolution (such as for fleet & equipment, infrastructure capital replacement, and priority project capital).

As of December 31, 2021, there were no restricted funds.

As December 31, 2021, assigned fund balances in the governmental funds included fleet & equipment, infrastructure capital replacement, and priority project capital.

P. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

Q. Current Government Accounting Standard Board Statements Implementation

Effective January 1, 2021, the TCPUD implemented the following accounting and financial reporting standards:

Government Accounting Standards Board Statement No. 89

In June 2018, GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business type activity or enterprise fund. There was no significant impact to the District's financial statements as a result of adoption.

Government Accounting Standards Board Statement No. 93

In March 2020, GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The primary objective of this statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The removal of LIBOR as an appropriate benchmark interest rate is effective for the District's fiscal year ending December 31, 2022, as such the District has elected early implementation. There was no significant impact to the District's financial statements as a result of adoption.

Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. *Current Government Accounting Standard Board Statements Implementation, Continued*

Government Accounting Standards Board Statement No. 98

In October 2021, GASB issued Statement No. 98, The Annual Comprehensive Financial Report. This statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

R. *Future Government Accounting Standard Board Statements*

These statements are not effective until January 1, 2022, or later. The District has not determined the effects on the financial statements.

Government Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, Leases. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the District's fiscal year ending December 31, 2022.

Government Accounting Standards Board Statement No. 91

In May 2019, GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The District has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the District's fiscal year ending December 31, 2022.

**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

R. Future Government Accounting Standard Board Statements, Continued

Government Accounting Standards Board Statement No. 92

In January 2020, GASB issued Statement No. 92, Omnibus 2020. The primary objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The District has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the District's fiscal year ending December 31, 2022.

Government Accounting Standards Board Statement No. 94

In March 2020, GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial assets, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the District's fiscal year ending December 31, 2023.

Government Accounting Standards Board Statement No. 96

In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the District's fiscal year ending December 31, 2023.

Government Accounting Standards Board Statement No. 97

In June 2020, GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability

**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

R. Future Government Accounting Standard Board Statements, Continued

related to the reporting of fiduciary component units in circumstances in which a partial component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement related to the accounting and financial reporting for Section 457 plans are effective for the District's fiscal year ending December 31, 2022.

2. CASH AND INVESTMENTS

The TCPUD pools cash from all sources and all funds, except Restricted Cash, so that it can be invested at the maximum yield, consistent with safety and liquidity, while allowing individual funds to make expenditures at any time. Investment income is allocated among funds on the basis of average month-end cash and investment balances of the respective funds.

Cash and investments maturing in three months or less at the time of purchase are considered to be cash and cash equivalents for purposes of measuring cash flows.

A. Cash Deposits

The carrying amounts of the TCPUD's operating cash balance is \$599,977 at December 31, 2021. Bank balances were \$1,063,563, the total amount of which was insured and/or collateralized with securities held by the pledging financial institutions in the TCPUD's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the TCPUD's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the TCPUD's name.

The fair value of pledged securities must equal at least 110% of the cash deposits. California law also allows institutions to secure TCPUD deposits by pledging first trust deed mortgage notes having a value of 150% of the TCPUD's total cash deposits. This collateral is held by the institution but is considered to be held in the TCPUD's name and places the TCPUD ahead of general creditors of the institution. The TCPUD has waived collateral requirements for the portion of deposits covered by federal deposit insurance.

Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021

2. CASH AND INVESTMENTS, Continued

B. Investments

Under the provisions of the TCPUD's investment policy, and in accordance with California Government Code, the following investments are authorized:

- United States Treasury Bills, Bonds, and Notes
- Obligations issued by Agencies of the United States Government
- Certificate of Deposit and other evidence of deposit at banks and savings and loan associations
- California Local Agency Investment Fund
- Placer County Treasury Investment Pool Fund

The TCPUD is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California.

The TCPUD's investments with LAIF at December 31, 2021, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations), small business loans, or credit card receivables.

As of December 31, 2021, the TCPUD had \$10,310,429 invested with LAIF and \$14,884,699 invested with the Placer County Treasurer. LAIF had invested 0.67% of the pool investment funds in Structured Notes and Asset-Backed Securities. Fair value of LAIF and Placer County was calculated by applying a factor of 0.997439120 to total investments held by both. At December 31, 2021, the LAIF and Placer County Treasurer balance did not reflect an amortized cost of \$25,131 which approximates the fair market value.

The TCPUD 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 TCPUD does not have any investments that are measured using Level 3 inputs.

The following tables set forth by level, within the fair value hierarchy, the TCPUD's assets at fair value as of December 31, 2021.

Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021

2. CASH AND INVESTMENTS, Continued

B. Summary of Cash & Investments

	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$65,077	\$ -	\$ 65,077
Total assets at fair value	\$ -	\$65,077	\$ -	\$ 65,077

The following is a summary of cash and investments at December 31, 2021:

	Government-Wide Statement of Net Assets		
	Governmental Activities	Business-Type Activities	Total
Operating cash deposits	\$ 599,977	\$ -	\$ 599,977
Imprest and other	855	300	1,155
Investments	11,524,122	13,671,006	25,195,128
Total cash and investments	12,124,954	13,671,306	25,796,260
Current - Restricted cash and investments	310,530	-	310,530
Noncurrent-Restricted cash and investments	13,800	203,108	216,908
Total All	\$ 12,449,284	\$ 13,874,414	\$ 26,323,698

C. Risks

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the TCPUD's investment policy provides that final maturities of securities cannot exceed five years. Specific maturities of investments depend on liquidity needs. At December 31, 2021, the total amount of the TCPUD's investments and restricted investments was deposited with LAIF and Placer County Treasurer Investment Pool which is available to the TCPUD on demand or invested in bank certificates of deposit maturing in less than one year. As a result, the TCPUD was not significantly exposed to interest rate risk.

Credit Risk. At December 31, 2021, the TCPUD's investments in LAIF and Placer County Treasurer were not rated. The fair value of the TCPUD asset held in LAIF and Placer County Treasurer is materially equivalent to the value of the pool shares.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the TCPUD will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the TCPUD's securities are held by a third-party custodian.

D. Restricted Cash and Investments

Restricted cash and investments for the TCPUD amounted to \$527,438. This amount breaks out as follows: \$65,077 was invested in certificates of deposit as required by agreements with the Tahoe Regional Planning Agency and the California Water Quality Control Board. The certificates of deposit cannot be released from restricted status without the approval of the listed agencies. \$151,831 was held in escrow by the Bank of Marin as a substitute for retention required to be withheld by

**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

2. CASH AND INVESTMENTS, Continued

D. Restricted Cash and Investments, Continued

TCPUD pursuant to the construction Contract entered into with Thompson Builder Corporation, contractor for the West Lake Tahoe Regional Water Treatment Plant project. The remainder of the restricted cash of \$42,298 and \$268,232 respectively, were in the TCPUD's Section 125 medical reimbursement account and the Health Reimbursement Arrangement account, which are restricted for the sole use of the TCPUD's employees.

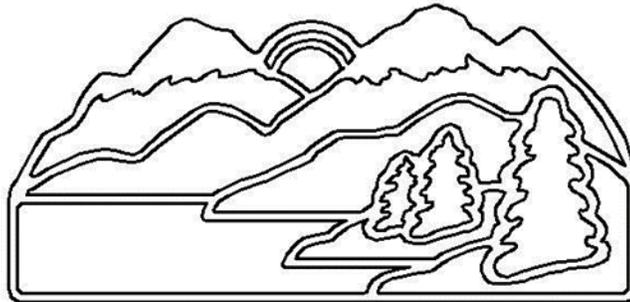
3. INTERFUND TRANSACTIONS

A. Due to/due from other funds

There were no short term interfund loans between funds at December 31, 2021.

B. Transfers In and Out

Transfers out to the Water and Sewer Enterprise fund are primarily to provide funding for current year capital projects and designate additional reserves for future capital projects. In 2021 there were no transfers.



**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

4. CAPITAL ASSETS

A. Government-Wide Financial Statements

At December 31, 2021, the TCPUD's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Non-depreciable assets:			
Land	\$ 10,583,119	\$ 42,957	\$ 10,626,076
Construction in progress	703,152	11,627,934	12,331,086
Total non-depreciable assets	11,286,271	11,670,891	22,957,162
Depreciable assets:			
Water and sewer plant	-	86,477,021	86,477,021
Recreational facilities	50,000,780	-	50,000,780
Office building and equipment	6,195,750	7,824,361	14,020,111
Vehicles	706,545	2,829,479	3,536,024
Total depreciable assets	56,903,075	97,130,861	154,033,936
Less accumulated depreciation:			
Water and sewer plant	-	(46,737,494)	(46,737,494)
Recreational facilities	(29,213,690)	-	(29,213,690)
Office building and equipment	(3,841,625)	(3,942,190)	(7,783,815)
Vehicles	(438,174)	(1,189,750)	(1,627,924)
Total accumulated depreciation	(33,493,489)	(51,869,434)	(85,362,923)
Net depreciable assets	23,409,586	45,261,427	68,671,013
Total capital assets, net	\$ 34,695,857	\$ 56,932,318	\$ 91,628,175

**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

4. CAPITAL ASSETS, Continued

A. Government-Wide Financial Statements, Continued

The following is a summary of changes in the capital assets for governmental activities during the fiscal year:

Governmental Activities	Balance as of January 1, 2021	Additions	Retirements	Transfers/ Reclassifications	Balance as of December 31, 2021
Capital assets, not being depreciated:					
Land	\$ 10,583,119	\$ -	\$ -	\$ -	\$ 10,583,119
Construction in progress	1,400,992	1,843,916	-	(2,541,756)	703,152
Total capital assets, not being depreciated	11,984,111	1,843,916	-	(2,541,756)	11,286,271
Capital assets, being depreciated:					
Recreational facilities	47,724,486		-	2,276,294	50,000,780
Office building and equipment	5,887,832	49,813	(7,357)	265,462	6,195,750
Vehicles	659,050	66,314	(18,819)	-	706,545
Total capital assets, being depreciated	54,271,368	116,127	(26,176)	2,541,756	56,903,075
Less accumulated depreciation for:					
Recreational facilities	(27,686,192)	(1,527,498)	-	-	(29,213,690)
Office building and equipment	(3,563,958)	(285,024)	7,357	-	(3,841,625)
Vehicles	(408,691)	(48,302)	18,819	-	(438,174)
Total accumulated depreciation	(31,658,841)	(1,860,824)	26,176	-	(33,493,489)
Net capital assets being depreciated	22,612,527	(1,744,697)	-	2,541,756	23,409,586
Governmental activities capital assets, net	\$ 34,596,638	\$ 99,219	\$ -	\$ -	\$ 34,695,857

Depreciation expense for capital assets during the year ended December 31, 2021, was charged to the different activities as follows:

Public works - parks	\$ 1,790,186
Recreation	70,638
Total	<u>\$ 1,860,824</u>

Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021

4. CAPITAL ASSETS, Continued

A. Government-Wide Financial Statements, Continued

The following is a summary of changes in the capital assets for business-type activities during the fiscal year:

Business-Type Activities	Balance as of January 1, 2021	Additions	Retirements	Transfers/ Reclassifications	Balance as of December 31, 2021
Capital assets, not being depreciated:					
Land	\$ 42,957	\$ -	\$ -	\$ -	\$ 42,957
Construction in progress	5,344,799	7,905,905	-	(1,622,770)	11,627,934
Total capital assets, not being depreciated	5,387,756	7,905,905	-	(1,622,770)	11,670,891
Capital assets, being depreciated:					
Water and sewer plant	85,256,424	-	-	1,220,597	86,477,021
Office building and equipment	7,232,831	189,357	-	402,173	7,824,361
Vehicles	2,673,777	190,557	(34,855)	-	2,829,479
Total capital assets, being depreciated	95,163,032	379,914	(34,855)	1,622,770	97,130,861
Less accumulated depreciation for:					
Water and sewer plant	(45,267,944)	(1,469,550)	-	-	(46,737,494)
Office building and equipment	(3,720,060)	(222,130)	-	-	(3,942,190)
Vehicles	(991,054)	(229,486)	30,790	-	(1,189,750)
Total accumulated depreciation	(49,979,058)	(1,921,166)	30,790.00	-	(51,869,434)
Net capital assets being depreciated	45,183,974	(1,541,252)	(4,065.00)	1,622,770	45,261,427
Business-type activities capital assets, net	\$ 50,571,730	\$ 6,364,653	\$ (4,065)	\$ -	\$ 56,932,318

Depreciation expense for capital assets for December 31, 2021, was charged to the different activities as follows:

Water	\$ 1,293,510
Sewer	627,656
Total	\$ 1,921,166

**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

5. UNEARNED REVENUE

Government-Wide Financial Statements

At December 31, 2021, there were no differences between unearned revenues in the Government-Wide Financial Statements and the Fund Financial Statements. All amounts represent revenues that had been collected or billed, but not yet earned, as follows:

	Governmental Activities
	Governmental Funds
	General Fund
Golf deferred revenue	\$ 21,490
Sidewalk principal and interest	12,631
Indoor play structure	13,500
Total	\$ 47,621

6. LONG TERM LIABILITIES

The following is a summary of long-term liabilities transactions for the year ended December 31, 2021:

	Maturity Date	Interest Rate	Balance January 1, 2021	Additions	Retirements	Balance December 31, 2021	Current Portion	Due in More than One Year
Governmental Activities								
State Water Resources Control Board	2028	1.80%	\$ 1,032,140	\$ -	\$ 121,094	\$ 911,046	\$ 123,277	\$ 787,769
Total Governmental activities			<u>\$ 1,032,140</u>	<u>\$ -</u>	<u>\$ 121,094</u>	<u>\$ 911,046</u>	<u>\$ 123,277</u>	<u>\$ 787,769</u>
Business-Type Activities								
State Water Resources Control Board	2043	1.20%	\$ -	\$ 2,794,450	\$ -	\$ 2,794,450	\$ -	\$ 2,794,450
Total Business-type activities			<u>\$ -</u>	<u>\$ 2,794,450</u>	<u>\$ -</u>	<u>\$ 2,794,450</u>	<u>\$ -</u>	<u>\$ 2,794,450</u>

**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

6. LONG TERM LIABILITIES, Continued

Future principal and interest payments on governmental activity long-term liabilities are as follows at December 31, 2021:

For the Year Ending 12/31	Governmental Activities	
	State Water Resources Control Board	
	Principal	Interest
2022	\$ 123,277	\$ 16,426
2023	125,500	14,203
2024	127,763	11,941
2025	130,066	9,637
2026	132,411	7,292
2026-2028	272,029	7,379
	<u>\$ 911,046</u>	<u>\$ 66,878</u>

Governmental Activities

State Water Resources Control Board (State Revolving Fund) Financing - The TCPUD signed Installment Sales Agreement No. C-06-4779-110 with the California State Water Resources Control Board (SWRCB) on March 21, 2008, for the partial financing of the Harbor Master Sewer Pump Station in Tahoe City. During 2008, the TCPUD received a total of \$2,328,382 in reimbursement of construction costs incurred on the new sewer pump station. The TCPUD selected the SWRCB's zero interest option, which required a local cost matching of \$465,688 and obligates the TCPUD to pay a total of \$2,794,070 over the 20-year term of financing. The TCPUD will make 20 annual payments of \$139,703 through September 30, 2028, resulting in an effective interest rate of 1.803%. The source of principal and interest payments for this loan is general property tax revenues.

Business-Type Activities

State Water Resources Control Board (State Revolving Fund) Financing - The TCPUD signed a \$12,000,000 Construction Installment Sales Agreement 0000000002002021 for Project No. 3110011-005C with the California State Water Resources Control Board (SWRCB) on April 19, 2021, for the partial financing of the West Lake Tahoe Regional Water Treatment Plant (the Project) located in Tahoma, on the west shore of Lake Tahoe. During 2021, the TCPUD prepared and submitted a reimbursement request in the amount of \$2,794,450 to the SWRCB for reimbursable construction cost for the Project. The Project's construction period is expected to extend to early 2024 and debt service payments to begin December 1, 2024. Annual interest only payments will be made by TCPUD until the Project is substantially completed and the final reimbursement request has been made. Following completed construction of the project, TCPUD will make 20 annual debt service payments which will be determined upon the final reimbursement request at an effective interest rate of 1.20%. The source of principal and interest payments for this loan is water rate revenue and general property tax revenues.

**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

7. PLEDGES OF FUTURE REVENUES

The TCPUD has pledged future general property tax revenues to the repayment of the loan listed below:

	Annual Principal & Interest	Percentage of 2021 General Property Tax Pledged
Governmental Activities		
State Water Resources Control Board	\$ 139,704	1.6%
Unpledged General Property Tax Revenues	<u>8,740,165</u>	<u>98.4%</u>
Total 2021 General Property Tax Revenues	<u>\$ 8,879,869</u>	<u>100.0%</u>

8. COMPENSATED ABSENCES

Compensated absences balances and activity for the year ended December 31, 2021, were as follows:

	Balance January 1, 2021	Additions	Retirements	Balance December 31, 2021	Due within One Year
Governmental Activities	\$ 207,271	\$ 139,284	\$ (134,938)	\$ 211,617	\$ 211,617
Business-Type Activities	<u>282,817</u>	<u>416,102</u>	<u>(416,865)</u>	<u>282,054</u>	<u>282,054</u>
Total	<u>\$ 490,088</u>	<u>\$ 555,386</u>	<u>\$ (551,803)</u>	<u>\$ 493,671</u>	<u>\$ 493,671</u>

The General Fund is used to liquidate the majority of the liability for compensated absences recorded in governmental activities, and the Water and Sewer funds are used to liquidate the liabilities recorded in business-type activities. All the compensated absences balances represent vacation and compensated time that are due within one year.

9. FUND BALANCES / NET POSITION

The TCPUD's Board adopted Resolution 11-39, later amended by General Fund Reserve Policy Number 2010 for the Classification of the Fund Balances as required by Governmental Accounting Standards Board 54 and setting of the General Fund Reserve Policy.

The following General Fund balance at December 31, 2021 is as follows. Non-spendable consists of \$260,095 for prepaid items and inventory. Assigned balances consist of \$1,500,000 for infrastructure capital replacement, \$1,000,000 for priority capital projects, and \$229,541 for fleet and equipment replacement within the TCPUD Parks and Recreation.

**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

9. FUND BALANCES / NET POSITION, Continued

General Fund Balance

Non-Spendable	\$ 260,095
Assigned	
Fleet & equipment replacement reserves	229,541
Infrastructure capital replacement reserves	1,500,000
Priority project capital reserves	1,000,000
Unassigned fund balance	<u>14,363,569</u>
Total Fund Balance General Fund	<u><u>\$ 17,353,205</u></u>

The TCPUD Board adopted Enterprise Funds Unrestricted Net Position and Reserves Policy Number 2015. At December 31, 2021, the Board designated the unrestricted net position of the proprietary funds as follows:

Designated for:	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating reserve	\$ 1,282,665	\$ 925,942	\$ 2,208,607
Fleet & equipment replacement reserves	232,182	427,549	659,731
Infrastructure capital replacement reserves	1,500,000	2,000,000	3,500,000
Water system acquisition & infrastructure improvement property tax reserve	<u>2,133,867</u>	<u>-</u>	<u>2,133,867</u>
Total designated net position - proprietary activities	5,148,714	3,353,491	8,502,205
Undesignated	<u>(596,636)</u>	<u>3,591,837</u>	<u>2,995,201</u>
Total unrestricted net position proprietary fund	<u><u>\$ 4,552,078</u></u>	<u><u>\$ 6,945,328</u></u>	<u><u>\$ 11,497,406</u></u>

10. PENSION PLANS

General Information about the Pension Plans

Plan Description - All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan's benefit provisions are established by statute. The Plan is included as a pension trust fund in the CalPERS Annual Comprehensive Financial Report, which is available online at www.calpers.ca.gov.

The Plan consists of a miscellaneous pool and a safety pool (referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively, including those of the TCPUD. The TCPUD's employer rate plans in the miscellaneous risk pool includes the Miscellaneous plan (Classic) and the Miscellaneous PEPRA plan (PEPRA). The TCPUD does not have any rate plans in the safety risk pool.

**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

10. PENSION PLANS, Continued

Benefits Provided – The Plan 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. The 2.7% at 55 Miscellaneous Plan is closed to new entrants 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 death benefit is the Basic Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan provisions and benefits in effect at December 31, 2021 are summarized below:

Hire Date	Miscellaneous	
	Prior to January 1, 2013	After December 31, 2012
	Classic	PEPRA
Benefit Formula	2.7 % @ 55	2.0 % @ 62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50-55	52-62
Monthly Benefits , a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required Employee Contribution Rates 2020/2021	8.00%	6.75%
Required Employee Contribution Rates 2021/2022	8.00%	6.75%
Required Employer Contribution Rates 2020/2021*	38.253%	8.096%
Required Employer Contribution Rates 2021/2022*	41.850%	7.900%

*The employer contribution rate is the sum of the plan's normal contribution rate plus the employer unfunded accrued liability contribution amount.

Funding Policy

The plan requires employee contributions equal to some percentage of the employees’ annual covered salary. During fiscal year 2021 the employee paid 100% of the employee’s contribution beginning with 2015. Pursuant to the labor contract, beginning January 1, 2020, Classic Members agreed to contribute 2.0% of salary, in addition to the employee contribution rate of 8%, toward their normal costs.

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 CalPERS actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the employer rate plans are determined through the CalPERS’ annual actuarial valuation process. Each employer rate plan’s actuarially determined rate is based on the estimated amount necessary to pay the employer rate plan’s allocated share of the cost of benefits earned by employees during the year, and any unfunded accrued liability. The TCPUD is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The TCPUD’s contributions to the risk pools in the Plan for the year ended December 31, 2021, were as follows:

**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

10. PENSION PLANS, Continued

	<u>Contributions</u>
Contributions - Employer	\$ 1,507,350
Contributions - Employee	\$ 474,500

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of December 31, 2021, the TCPUD reported a net pension liability for its proportionate share of the net pension liability of the plan of \$8,025,238.

	<u>Proportionate Share of Net Pension Liability</u>
Beginning net pension liability, January 1, 2020	\$ 12,553,153
Pension expense	4,014,263
Employer contribution	(1,502,968)
Net new deferred inflows / outflows	(7,039,210)
	<u>\$ 8,025,238</u>

In determining the TCPUD's proportionate share, the TCPUD's rate plan included in the Plan were assigned to Miscellaneous risk pool. Estimates of the total pension liability and the fiduciary net position were determined for the individual rate plan and risk pool as of the valuation date, June 30, 2020. The TCPUD rate plan's fiduciary net position was subtracted from its total pension liability to obtain its net pension liability as of the valuation date. The TCPUD's proportionate share percentage for the risk pool at the valuation date was calculated by dividing the TCPUD's net pension liability for its rate plan within each risk pool by the net pension liability of the respective risk pool as of the valuation date.

The TCPUD's proportionate share of the net pension liability as of June 30, 2021, the measurement date, was calculated as follows:

Each risk pool's total pension liability was computed at the measurement date, June 30, 2021, by applying standard actuarial roll-forward methods to the total pension liability amounts as of the valuation date. The fiduciary net position for each risk pool at the measurement date was determined by CalPERS' Financial Office. The net pension liability for each risk pool at June 30, 2021, was computed by subtracting the respective risk pool's fiduciary net position from its total pension liability.

The individual employer risk pool's proportionate share percentage of the total pension liability and fiduciary net position as of June 30, 2021, was calculated by applying Tahoe City Public Utility District's proportionate share percentage as of the valuation date (described above) to the respective risk pool's total pension liability and fiduciary net position as of June 30, 2021, to obtain the total pension liability and fiduciary net position as of June 30, 2021. The

Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021

10. PENSION PLANS, Continued

fiduciary net position was then subtracted from total pension liability to obtain the net pension liability as of the measurement date.

The TCPUD's proportionate share of the net pension liability as of June 30, 2021, and June 30, 2020, was as follows:

	Miscellaneous Risk Pool
Proportion at measurement date - June 30, 2020	0.29760%
Proportion at measurement date - June 30, 2021	0.42265%
Change - increase (decrease)	<u>0.12505%</u>

For the year ended December 31, 2021, the TCPUD recognized pension expense of \$3,729,474. At December 31, 2021 the TCPUD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 899,944	\$ -
Net Difference between projected and actual earnings on plan investments		7,005,608
Differences between Actual Contributions vs. Proportionate Share of Contribution	-	252,353
Change in employer's proportion	138,538	162,530
Pension Contributions Made Subsequent to the Measurement Date	1,218,450	-
	<u>\$ 2,256,932</u>	<u>\$ 7,420,491</u>

The \$1,218,450 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31	Amount
2022	\$ (1,376,027)
2023	(1,455,651)
2024	(1,614,344)
2025	(1,935,987)
	<u>\$ (6,382,009)</u>

**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

10. PENSION PLANS, Continued

Actuarial Assumptions

The total pension liabilities in the June 30, 2020, actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Projected Salary Increase ⁽¹⁾	Varies by Entry Age & Length of Service
Investment Rate of Return ⁽²⁾	7.15% net of pension plan investment and administrative expenses
Mortality ⁽³⁾	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) Depending on age, service and type of employment

(2) Net of Pension Plan Investment and Administrative Expense; includes inflation

(3) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Allocation Amongst TCPUD Funds

The net pension liability has been allocated to the TCPUD's enterprise funds based on their relative five-year average annual pensionable wages.

Change of Assumptions

For the measurement period June 30, 2021, there were no changes of assumptions. For the measurement period June 30, 2020, demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. For the measurement period June 30, 2017, the accounting discount rates was lowered from 7.65 percent to 7.15 percent.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested employer rate plans within the Plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested employer rate plans run out of assets. Therefore, the current 7.15% discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a

Tahoe City Public Utility District
Notes to the Basic Financial Statements
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10. PENSION PLANS, Continued

detailed report, GASB Statements 67 and 68 Crossover Testing Report for Measurement Date June 30, 2020, based on June 30, 2019, Valuations, that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the CalPERS Plan, the 7.15% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 0 basis points. An investment return excluding administrative expenses would have been 7.15%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability.

CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular asset liability management review cycle. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations. CalPERS will continue to check the materiality of the difference in calculation until such time as CalPERS has changed their methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of 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 cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's asset classes, 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 the Plan.

The expected rate of return was set by calculating the 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

10. PENSION PLANS, Continued

Asset Class (a)	Assumed		
	Asset Allocation	Real Return Years 1- 10 (b) + (d)	Real Return Years 11+ (c)
Public Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	-	-0.92%
Total	100.00%		

(a) In the System's Annual Comprehensive Financial Report (ACFR), Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation rate of 2.00% used for this period

(c) An expected inflation rate of 2.92% used for this period

(d) Figures are base on previous ALM of 2017

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

The following presents the TCPUD's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the TCPUD's proportionate share of the net pension liability would be if it were calculated using a discount rate lower or one percentage point higher that the current rate:

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability / (Asset)	\$ 14,130,083	\$ 8,025,238	\$ 2,978,450

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

11. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description - TCPUD administers a single-employer defined benefit healthcare plan (the Retiree Health Plan) which provides lifetime fixed monthly payments for a portion of medical premiums and full dental and vision coverage for eligible retirees and their dependents. The majority of participants are covered through the TCPUD's CalPERS group health insurance plan, and all receive benefits from the TCPUD's self-administered dental and vision plans. Benefit provisions are established through negotiations between the TCPUD and the International Union of Operating Engineers, Stationary Engineers, Local No. 39 (Union) representing classified employees and an informal bargaining group representing managers, supervisors, and professional employees. The Retiree Health Plan does not issue a publicly available financial report.

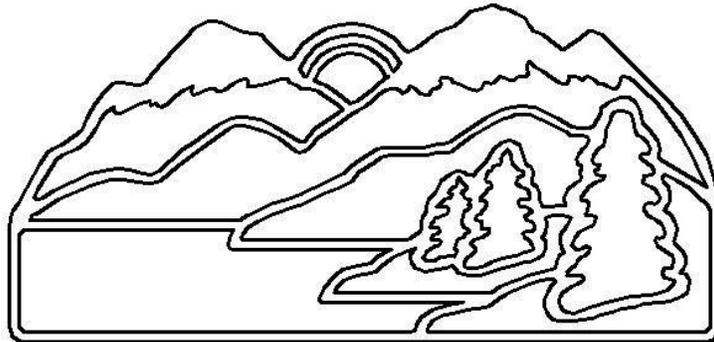
**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued

Employees covered - As of the December 31, 2019, actuarial valuation, the following current and former employees covered by the benefit terms under the plan as follows:

Inactive employees or beneficiaries currently receiving benefit payments	33
Active employees	<u>58</u>
Total	<u>91</u>

Methods and Assumptions -The TCPUD's net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated December 31, 2021, based on the following actuarial methods and assumptions.



**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued

Valuation Date	December 31, 2019
Fiscal Year End	December 31, 2021
Measurement Period	December 31, 2019 to December 2020
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets
Long Term Return on Assets	6.75% as net of plan investment expense and including inflation
Discount rate	6.85%
Participants Valued	Only current active employees, retired participants and covered dependents are valued. No future entrants are considered in this valuation
Salary Increase	3.00 % per year; since benefits do not depend on pay, this is used only to allocate the cost of benefits between service years
Assumed Wage Inflation	3.0% per year; used as a component of assumed salary increases
General Inflation	2.50% per year
Healthcare Cost Trend Rates	Medical plan premiums, benefit caps, and age-related claims costs are assumed to increase once each year. The increases over the prior year's levels are assumed to be effective on the dates shown below:

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2020	Actual	2047	5.20%
2021	5.40%	2048-49	5.10%
2022	5.30%	2069	5.00%
2023-26	5.20%	2070-71	4.90%
2027-46	5.30%	2070-71	4.40%

Mortality rates Assumed mortality, termination, and retirement rates were updated from those used in the prior valuation to those provided in the 2017 experience study report of CalPERS.

Contributions – The TCPUD is to fully fund the annual required contributions, which is determine by an actuary. Contribution requirements are also negotiated between the TCPUD, the Union, and the informal bargaining group. The TCPUD currently contributes monthly maximums toward medical premiums of \$847.00 for a retiree with 2 or more dependents, \$662.87 for a retiree with 1 dependent, and \$331.43 for an individual retiree increased annually by the same percentage as the Public Employees’ Medical and Hospital Care Act minimum employer health premium contribution. The TCPUD pays the full cost of dental and vision benefits for eligible retirees and their dependents. Employees with less than 20 years of TCPUD service at retirement receive fractions of the monthly

Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021

11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued

maximums for medical premiums described above based on years of service. During 2021, the TCPUD paid \$223,342 toward retiree medical premiums and \$35,544 for retiree dental and vision claims, which amounted to \$253,886, as contributions to OPEB. TCPUD also placed \$296,818 into the CERBT, to be applied towards the OPEB obligation and estimated implied subsidy was \$40,380. This provided for \$596,084 as total contributions in 2021 to OPEB.

Discount Rate - GASB 75 allows prefunded plans to use a discount rate that reflects the expected earnings on trust assets. The TCPUD prefunds its OPEB liability at 100% or more of the Actuarially Determined Contribution each year. The discount rate used to measure the total OPEB liability was 6.85%.

Recognition of Deferred Outflows and Deferred Inflow of Resources - Gains and losses related to changes of total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes of Assumptions	\$ 963,570	\$ 283,262
Differences between expected and actual experience	385,702	-
Net Difference between projected and actual earnings on plan investments	-	193,387
Deferred Contributions	596,084	-
	<u>\$ 1,945,356</u>	<u>\$ 476,649</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as OPEB expense as follows:

Year Ended December 31	Amount
2022	\$ 112,066
2023	140,229
2024	168,693
2025	227,016
2026	224,619
	<u>\$ 872,623</u>

OPEB Expense - For the fiscal year ended December 31, 2021, the TCPUD recognized OPEB expense of \$523,990.

Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021

11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued

Changes in the net OPEB liability - The changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
	(a)	(b)	(c) = (a) - (b)
Beginning	\$ 5,705,838	\$ 2,174,469	\$ 3,531,369
Service cost	168,076	-	168,076
Interest	393,264	-	393,264
Contributions - employer	-	311,466	(311,466)
Net investment income	-	294,362	(294,362)
Administrative Expense	-	(1,066)	1,066
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Benefit payments	(265,654)	(265,654)	-
Ending	<u>\$ 6,001,524</u>	<u>\$ 2,513,577</u>	<u>\$ 3,487,947</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - Sensitivity of the Net OPEB Liability of the TCPUD if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate, for measurement period ended December 31, 2020:

	Discount Rate -1% (5.85%)	Current Discount Rate (6.85%)	Discount Rate + 1% (7.85%)
Plan's Net OPEB liability	\$ 4,288,561	\$ 3,487,947	\$ 2,825,974

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates - The following represents the net OPEB liability of the TCPUD if it were calculated using health care cost trend rates that are one percentage-point lower or one percentage-point higher than the current rate, for measurement period ended December 31, 2020:

	Current Trend -1%	Current Trend	Current Trend +1%
Plan's Net OPEB liability	\$ 2,754,537	\$ 3,487,947	\$ 4,389,641

12. RISK MANAGEMENT

The TCPUD is a member of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA-JPIA) for the operation of common risk management and insurance programs. The program covers workers' compensation, property, liability, errors and omissions and public employee dishonesty insurance. The ACWA-JPIA is governed by an Executive Board consisting of representatives from member districts. The Executive Board controls the operations of the ACWA-JPIA, including selection of management and approval of operating budgets.

**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

12. RISK MANAGEMENT, Continued

The following is a summary of financial information for ACWA-JPIA as of the latest date for which such audited information is available:

	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Total assets	\$ 271,770,359	\$ 237,525,073
Deferred outflows	1,189,142	1,054,750
Total liabilities	123,558,690	113,075,164
Deferred inflows	(409,721)	1,817,452
Total net position	149,810,532	123,687,207
Total operating revenues	189,317,732	189,130,318
Total operating expenses	174,760,456	172,886,738
Total nonoperating revenues	11,566,049	8,509,125
Change in net position	26,123,325	24,752,705

The TCPUD is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The TCPUD is a member of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA).

JPIA is an intergovernmental risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et. seq. The purpose of JPIA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. The TCPUD participated in the Self-Insurance Programs of as follows:

- General, Automobile, Employment Practices & Public Officials' Liability. Broad coverage against third-party claims for TCPUD, its directors, employees and volunteers. Covered up to the following limits: the JPIA pools for first \$5 million and purchases excess coverage with limit up to \$55 million with aggregated policy limits.
- Property Loss: Covered up to replacement value with a \$2,500 deductible per occurrence on scheduled buildings, fixed equipment and contents, actual cash value on scheduled mobile equipment with a \$2,500 deductible per occurrence and actual cash value on scheduled vehicles with a \$2,500 deductible per occurrence. JPIA is self-insured up to \$100,000 per loss and has purchased re-insurance coverage up to a \$500,000,000 limit per occurrence. Scheduled fixed equipment is covered for Accidental Mechanical Breakdown up to sub-limit of \$100,000,000 with deductible \$25,000 to \$50,000 depending on type of equipment.
- Workers' Compensation: Covered for statutory limits, and Employer's Liability is covered up to \$2,000,000 per accident and \$2,000,000 per disease. JPIA is self-insured up to \$2,000,000 and excess insurance coverage has been purchased.
- Cyber Liability: Including Cyber Security up to \$5,000,000 Aggregate Limit with sub-limits. Cyber Liability Deductible varies from \$75,000 to \$100,000 depending on Total Scheduled Values.

**Tahoe City Public Utility District
Notes to the Basic Financial Statements
For the year ended December 31, 2021**

12. RISK MANAGEMENT, Continued

- Employee Dishonesty/Crime Supplement: Covered up to \$100,000 per occurrence with a \$1,000 deductible for employee dishonesty, forgery or alteration and computer fraud. The program covers all employees, the Board of Directors, and the Treasurer.
- Earthquake and Flood Group Purchase - Difference In Conditions Policy - Covered up to \$25,000,000 for scheduled values, subject to deductible of 2.5% of value for Earthquake and minimum \$25,000 deductible for flood.

The ACWA-JPIA is self-sustaining through member premiums, and in the event of significant claims may increase deposit requirements from its members. The TCPUD would be required to pay these amounts prior to terminating participation in JPIA. During fiscal year 2021, the TCPUD did not significantly reduce its insurance coverage from the prior year. Furthermore, settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the TCPUD's insurance coverage during the year ended December 31, 2021.

13. CONTINGENCIES AND LITIGATION

From time to time, the TCPUD is involved in litigation, claims and assessments incidental to its operations. Further, the TCPUD may be advised of unasserted possible claims and assessments that may be probable of assertion. As a general policy, the TCPUD defends matters in which it is a named defendant and, for insurable losses, maintains insurance to protect against adverse judgments, claims or assessments. In the opinion of the TCPUD, although the adequacy of existing insurance coverage or the outcome of legal proceedings cannot be predicted with certainty, the ultimate liability associated with any claims or litigation in which the TCPUD is currently involved will not materially affect the TCPUD's financial condition.

The World Health Organization declared the worldwide COVID-19 outbreak a public health emergency on January 30, 2020, and officially declared it as a pandemic as of March 11, 2020. Management has performed an evaluation of certain financial statement line items such as investments, accounts receivable, accounts payable, and accrued expenses to determine whether valuation or impairment adjustments should be made. Management has determined that the amounts reported on the financial statements are properly valued as of December 31, 2021. However, since the duration and full effects of the COVID-19 outbreak are yet unknown there could be future negative impacts to the financial condition of the District.

14. COMMITMENTS

The TCPUD has entered into contracts for construction with remaining commitments of approximately \$12,938,259 at December 31, 2021.

15. SUBSEQUENT EVENT

During 2021, TCPUD entered into a Construction Installment Sale Agreement with The California State Water Resources Control Board (SWRCB) to fund construction of the West Lake Tahoe Regional Water Treatment Plant in an amount not to exceed \$13,622,000. TCPUD has requested that the SWRCB amend the Construction Installment Agreement to an amount not to exceed \$24,000,000 due to rising construction cost. The request is expected to be approved and finalized mid-year 2022.

Required Supplementary Information

**Tahoe City Public Utility District
Required Supplementary Information
For the year ended December 31, 2021**

Budgets and Budgetary Accounting

The General Fund is the only governmental fund that has an appropriated annual budget. The TCPUD follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. The General Manager submits to the Board of Directors a proposed budget for the fiscal year beginning January 1. The budget includes proposed expenditures and the means of financing them.
2. The Board of Directors reviews the proposed budget at specially scheduled meetings which are open to the public. The Board of Directors also conducts a public hearing on the proposed budget to obtain comments from interested citizens.
3. Prior to January 1, the budget is legally adopted through a passage of a Board Resolution.
4. Actual revenues and expenditures are compared to budgeted amounts monthly as a management control device for all budgeted funds. The TCPUD monitors capital expenditures by comparison with specific project appropriation accounts. Expenditures cannot legally exceed appropriations by fund.
5. The budgets are prepared on a basis consistent with Generally Accepted Accounting Principles and the accounting for each fund.
6. Budgetary controls are set at a Fund level-The General Manager shall have authority to move budgeted amounts among the expenditure categories of salary and benefits, maintenance and operations, and capital expenditures.
7. Budgetary controls authorization - The Board of Directors shall retain sole authority for budgeting new capital projects, authorizing new permanent salaried positions, movement of authorization among funds, and the use of undesignated net position and unassigned fund balance.

**Tahoe City Public Utility District
Required Supplementary Information
For the year ended December 31, 2021**

Budgetary Comparison Schedule – General Fund

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Fees	\$ 758,689	\$ 758,689	\$ 773,344	\$ 14,655
Property taxes	7,915,614	7,915,614	8,085,735	170,121
Interest	42,004	42,004	38,156	(3,848)
Grants	60,365	60,365	23,299	(37,066)
Other	1,022,802	1,022,802	1,146,020	123,218
Total revenues	<u>9,799,474</u>	<u>9,799,474</u>	<u>10,066,554</u>	<u>267,080</u>
EXPENDITURES:				
Current:				
Public works - Parks	3,988,641	3,988,641	3,785,278	203,363
Recreation	1,076,158	1,076,158	851,563	224,595
Other operating	690,646	690,646	398,382	292,264
Capital outlay	1,795,822	1,795,822	1,960,044	(164,222)
Total expenditures	<u>7,551,267</u>	<u>7,551,267</u>	<u>6,995,267</u>	<u>556,000</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,248,207</u>	<u>2,248,207</u>	<u>3,071,287</u>	<u>823,080</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sales of asset	360	360	12,905	12,545
Transfers out to other funds	(1,800,000)	(1,800,000)	-	1,800,000
Total other financing sources (uses)	<u>(1,799,640)</u>	<u>(1,799,640)</u>	<u>12,905</u>	<u>1,812,545</u>
Net change in fund balance	<u>\$ 448,567</u>	<u>\$ 448,567</u>	<u>3,084,192</u>	<u>\$ 2,635,625</u>
FUND BALANCES:				
Beginning of year			<u>14,269,013</u>	
End of year			<u>\$ 17,353,205</u>	

**Tahoe City Public Utility District
 Required Supplementary Information
 For the year ended December 31, 2021
 Last Ten Years ^(a)**

Schedule of the TCPUD's Proportionate Share of the Net Pension Liability

Schedule of the Tahoe City Public Utility District's Proportionate Share of the Net Pension Liability
 As of December 31, 2021
 Last Ten Years^(a)

Measurement Year Ending June 30: ^(a)	2014	2015	2016	2017	2018	2019	2020	2021
Proportion of the Net Pension Liability/(Asset)	0.091120%	0.109590%	0.110080%	0.277980%	0.286640%	0.291790%	0.297600%	0.422650%
Proportionate Share of the Net Pension Liability/(Asset)	\$5,670,115	\$7,522,250	\$9,525,374	\$10,958,295	\$10,802,729	\$11,684,818	\$12,553,153	\$8,025,238
Covered Payroll ^(b)	\$3,359,516	\$3,596,691	\$3,836,308	\$4,092,908	\$4,204,479	\$5,210,552	\$5,879,580	\$6,081,263
Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	168.78%	209.14%	248.30%	267.74%	254.39%	224.25%	213.50%	131.97%
Plan's Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	83.03%	78.40%	74.06%	73.31%	75.26%	75.26%	75.10%	88.30%
Aggregate Employer Contributions ^{(c)(d)}	\$750,135	\$905,102	\$949,673	\$1,044,645	\$1,100,764	\$1,263,082	\$1,411,605	\$1,502,968

Notes to Schedule:

- (a) GASB 68 requires historical information only for the measurement periods for which GASB 68 is applicable.
- (b) Covered Payroll presented above uses pensionable earnings provided by the employer as its basis. However, GASB 68 defines covered payroll as the total payroll of employees with pensions from the pension plan. Accordingly, if pensionable earnings are different from total earnings for covered payroll, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculated the required payroll-related ratios.
- (c) The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions uses the plan's proportion of fiduciary net position multiplied by the total employer contribution amount as its basis, as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.
- (d) GASB 68 does not require that we display this data for employers participating in cost-sharing plans, but we show it here because we use it in the calculation of the Plan's pension expense.
- (e) Changes in Assumptions - In 2021, there were no changes in assumptions. In 2018, the demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2017, the accounting discount rate was lowered from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense).

**Tahoe City Public Utility District
 Required Supplementary Information
 For the year ended December 31, 2021
 Last Ten Years ^(a)**

Schedule of Contributions – CalPERS Pension Plan

Schedule of the Tahoe City Public Utility District’s Pension Plan Contributions

December 31, 2021

Last Ten Years^(a)

Fiscal year ending December 31: ^(a)	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contributions ^(b)	\$ 517,089	\$ 560,406	\$ 703,529	\$ 799,269	\$ 862,196	\$1,010,743	\$ 1,197,927	\$ 1,507,350
Actual Contributions	(517,089)	(560,406)	(703,529)	(799,269)	(862,196)	(1,010,743)	(1,197,927)	(1,507,350)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll ^(c)	\$ 3,289,595	\$ 3,588,162	\$ 3,962,012	\$ 3,988,868	\$4,246,526	\$4,766,829	\$ 5,155,864	\$ 5,456,661
Contributions as a Percentage of Covered Payroll ^(c)	15.72 %	15.13 %	17.76 %	20.04 %	20.30 %	19.40 %	23.23 %	27.62 %

Notes to Schedule:

(a) GASB 68 requires historical information only for the measurement periods for which GASB 68 is applicable.

(b) GASB 68 assumes that employers contribute an amount equal to the actuarially determined contribution. However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the actuarially determined contribution. CalPERS determined that employer obligations referred to as “side funds” do not conform to the circumstances described in the paragraph 120 of GASB 68, therefore CalPERS does not consider them separately financed specific liabilities.

(c) Covered Payroll presented above uses pensionable earnings provided by the employer as its base. However, GASB 68 defines covered payroll as the total payroll of employees with pensions from the pension plan. Accordingly, if pensionable earnings are different from total earnings for covered-employees, the employer should display the payroll based on total earnings for the covered group in the footnotes, and recalculate the required payroll-related ratios.

**Tahoe City Public Utility District
Required Supplementary Information
For the year ended December 31, 2021
Last Ten Years***

Schedule of Changes in the Net OPEB Liability and Related Ratios

Total OPEB Liability	2018	2019	2020	2021
Service cost	\$ 104,472	\$ 104,217	\$ 116,154	\$ 168,076
Interest	293,808	256,859	264,101	393,264
Change of benefit terms	-	-	-	-
Difference between expected and actual experience	126,579	-	478,967	-
Changes in assumptions	(786,838)	155,343	1,243,114	-
Benefit payments	(248,242)	(242,377)	(215,793)	(265,654)
Net change in total OPEB liability	(510,221)	274,042	1,886,543	295,686
Total OPEB liability, beginning	4,055,474	3,545,253	3,819,295	5,705,838
Total OPEB liability, ending (a)	\$ 3,545,253	\$ 3,819,295	\$ 5,705,838	\$ 6,001,524
Plan Fiduciary Net Position				
Contribution - employer	\$ 351,447	\$ 340,557	\$ 306,710	\$ 311,466
Net investment income	245,573	(123,850)	373,870	294,362
Benefit payments	(248,242)	(242,377)	(215,793)	(265,654)
Administrative Expense		(617)	(436)	(1,066)
Net change in plan fiduciary net position	348,778	(26,287)	464,351	339,108
Plan fiduciary net position - beginning	1,387,627	1,736,405	1,710,118	2,174,469
Plan fiduciary net position - ending (b)	\$ 1,736,405	\$ 1,710,118	\$ 2,174,469	\$ 2,513,577
Net OPEB liability - ending (a) - (b)	\$ 1,808,848	\$ 2,109,177	\$ 3,531,369	\$ 3,487,947
Covered Payroll	\$ 4,136,867	\$ 4,263,542	\$ 4,768,493	\$ 5,020,628
Net OPEB liability as a percentage of covered payroll	43.73%	49.47%	74.06%	69.47%

Notes to Schedule:

Changes in Assumptions - The discount rate was changed from 6.90% (net of administrative expense) to 6.85% for the measurement period ended December 31, 2019.

* GASB 75 requires presentation of the 10-year history of changes in the Net OPEB liability. However, since this is the fourth year of implementation, only four years are currently available. Additional years' information will be displayed as it becomes available.

**Tahoe City Public Utility District
 Required Supplementary Information
 For the year ended December 31, 2021
 Last Ten Years***

Schedule of Contributions - OPEB

	2018	2019	2020	2021
Actuarially Determined Contributions (ADC)	\$ 337,850	\$ 278,168	\$ 280,921	\$ 551,739
Contributions in relation to the ADC	(340,557)	(306,710)	(311,466)	(596,084)
Contribution deficiency (excess)	\$ (2,707)	\$ (28,542)	\$ (30,545)	\$ (44,345)
Covered Payroll	\$ 4,263,542	\$ 4,768,493	\$ 5,020,628	\$ 5,780,994
Contributions as a percentage of covered payroll	7.99%	6.43%	6.20%	10.31%

* GASB 75 requires presentation of the 10-year history of changes in the Net OPEB liability. However, since this is the fourth year of implementation, only four years are currently available. Additional years' information will be displayed as it becomes available.

STATISTICAL SECTION

This part of the TCPUD's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the TCPUD's overall financial health.

Contents Page

Financial Trends 93-97

These schedules contain trend information to help the reader understand how the TCPUD's financial performance and well-being have changed over time.

Revenue Capacity 98-100

These schedules contain information to help assess the TCPUD's most significant local revenue source—property tax, water, sewer, and capital grants.

Demographic and Economic Information 101-104

These schedules offer demographic and economic indicators to help understand the environment within which the TCPUD's financial activities take place.

Operating Information 105-112

These schedules contain service and infrastructure data to help the reader understand how the information in the TCPUD's financial report relates to the services the TCPUD provides and the activities it performs.

Net Position by Component

		Fiscal Year									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Tahoe City Public Utility District											
Net Position by Component											
Last Ten Years											
(accrual basis of accounting)											
Governmental activities											
Net investment in capital assets	\$ 34,607,266	\$ 34,596,638	\$ 27,032,074	\$ 28,305,788	\$ 26,571,841	\$ 27,344,369	\$ 25,488,414	\$ 23,012,867	\$ 25,572,951	\$ 26,113,468	
Restricted	13,800	13,800	13,800	13,800	13,800	-	-	-	-	-	
Unrestricted	10,956,119	8,290,698	14,327,930	9,585,207	7,940,288	4,073,347	5,842,369	8,826,600	3,149,351	349,651	
Total governmental activities net position	45,577,185	42,901,136	41,373,804	37,904,795	34,525,929	31,417,716	31,330,783	31,839,467	28,722,302	26,463,119	
Business-type activities											
Net investment in capital assets	52,972,992	49,539,591	47,992,681	43,178,935	38,617,239	36,342,147	35,339,690	32,303,799	31,310,220	29,843,861	
Restricted	51,200	51,200	51,200	51,200	51,200	65,000	65,000	65,000	65,000	65,000	
Unrestricted	11,497,406	11,679,357	6,391,318	9,138,349	12,129,844	12,598,329	6,217,735	13,029,529	12,257,558	10,239,603	
Total business-type activities net position	64,521,598	61,270,148	54,435,199	52,368,484	50,798,283	49,005,476	41,622,425	45,398,328	43,632,778	40,148,464	
Primary Government											
Net investment in capital assets	87,580,258	84,136,229	75,024,755	71,484,723	65,189,080	63,686,516	\$ 60,828,104	\$ 55,316,666	\$ 56,883,171	\$ 55,957,329	
Restricted	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	
Unrestricted	22,453,525	19,970,055	20,719,248	18,723,556	20,070,132	16,671,676	12,060,104	21,856,129	15,406,909	10,589,254	
Total primary government net position	\$ 110,098,783	\$ 104,171,284	\$ 95,809,003	\$ 90,273,279	\$ 85,324,212	\$ 80,423,192	\$ 72,953,208	\$ 77,237,795	\$ 72,355,080	\$ 66,611,583	

Business-Type Activities Change in Net Position

**Tahoe City Public Utility District
Business-Type Activities
Change in Net Position
Last Ten Years
(accrual basis of accounting)**

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Charges for services:										
Water	\$ 8,317,778	\$ 7,642,523	\$ 6,880,247	\$ 6,442,160	\$ 4,982,871	\$ 4,509,106	\$ 4,200,135	\$ 4,261,947	\$ 4,479,654	\$ 4,062,675
Sewer	5,643,421	5,321,027	5,166,673	4,972,602	4,680,507	4,418,035	4,433,925	4,146,065	3,920,035	3,645,909
Operating grants and contributions	233,177	-	201	6,100	191,742	3,991	44,028	-	-	239,547
Capital grants and contributions	758,090	97,637	50,000	226,913	161,868	211,035	237,620	202,026	1,572,553	2,035,785
Property taxes	654,432	864,151	22,817	24,283	23,929	23,290	23,287	23,287	23,287	19,951
Investment earnings	34,523	129,484	222,465	196,592	233,590	148,549	118,439	104,797	104,964	70,904
Transfers	-	3,500,000	-	-	-	5,508,259	-	-	-	-
Total program revenues	15,641,421	17,554,822	12,342,403	11,868,650	10,274,507	14,822,265	9,057,434	8,738,122	10,100,493	10,074,771
Expenses:										
Water - direct expenses	7,365,186	6,429,200	5,201,916	4,890,159	4,667,549	3,918,289	3,971,701	3,215,001	3,060,475	2,624,423
Sewer- direct expenses	4,768,607	3,831,739	3,914,020	3,164,077	3,703,846	3,470,484	2,895,256	2,575,524	2,519,612	2,552,374
Indirect expenses	256,178	458,934	1,159,752	836,034	792	50,439	(314,768)	1,182,049	1,116,164	1,538,164
Total expenses	12,389,971	10,719,873	10,275,688	8,890,270	8,372,187	7,439,212	6,552,189	6,972,574	6,696,251	6,714,961
Change in net position	3,251,450	6,834,949	2,066,715	2,978,380	1,902,320	7,383,053	2,505,245	1,765,548	3,404,242	3,359,810
Net Position - Beginning	61,270,148	54,435,199	52,368,484	50,798,283	49,005,476	41,622,423	45,398,326	43,632,778	40,148,464	36,788,654
Prior period restatement	-	-	-	(1,408,179)	(109,513)	-	(6,281,148)	-	80,072	-
Net Position - Beginning	61,270,148	54,435,199	52,368,484	49,390,104	48,895,963	41,622,423	39,117,178	43,632,778	40,228,536	36,788,654
Net Position - Ending	\$ 64,521,598	\$ 61,270,148	\$ 54,435,199	\$ 52,368,484	\$ 50,798,283	\$ 49,005,476	\$ 41,622,423	\$ 45,398,326	\$ 43,632,778	\$ 40,148,464

Governmental Activities Change in Net Position

		Fiscal Year									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Tahoe City Public Utility District											
Governmental Activities											
Change in Net Position											
Last Ten Years											
(accrual basis of accounting)											
<hr/>											
Charges for services:											
Public works-Parks	\$	1,636,096	\$ 1,043,819	\$ 880,155	\$ 769,218	\$ 733,871	\$ 349,343	\$ 318,032	\$ 312,132	\$ 357,766	\$ 326,429
Recreation		273,632	78,960	353,116	338,586	275,719	295,913	290,265	316,671	320,432	275,449
Operating grants and contributions		22,274	386,285	418,801	428,612	374,748	394,768	349,078	334,610	305,861	367,184
Capital grants and contributions		23,566	2,333,921	193,518	1,443,556	134,616	2,585,198	373,169	968,622	257,535	4,346,031
Property taxes		8,225,437	7,452,235	8,062,703	7,435,199	7,036,697	6,717,678	6,314,533	5,713,528	5,569,351	5,249,163
Investment earnings		38,156	177,996	308,831	225,163	123,975	120,327	88,257	51,736	(1,790)	(268)
Transfers		-	(3,500,000)			(5,508,259)					
Total program revenues		10,219,161	7,973,216	10,217,124	10,640,334	8,679,626	4,954,968	7,733,334	7,697,299	6,809,155	10,563,988
<hr/>											
Expenses:											
Public works-Parks direct expenses		6,112,865	5,602,432	5,727,396	5,616,942	4,815,967	3,957,048	3,788,125	3,605,113	3,538,594	2,890,323
Recreation - direct expenses		1,013,467	732,041	910,607	936,950	731,763	735,527	691,660	686,566	658,660	655,346
Indirect expenses		416,780	111,411	110,112	138,361	133,196	175,459	(16,861)	288,455	352,718	967,924
Total expenses		7,543,112	6,445,884	6,748,115	6,692,253	5,680,926	4,868,034	4,462,924	4,580,134	4,549,972	4,513,593
<hr/>											
Change in net position		2,676,049	1,527,332	3,469,009	3,948,081	2,998,700	86,934	3,270,410	3,117,165	2,259,183	6,050,395
Net Position - Beginning		42,901,136	41,373,804	37,904,795	34,525,929	31,417,716	31,330,782	31,839,467	28,722,302	26,463,119	20,412,724
Prior period restatement		-	-	-	(569,215)	109,513	-	-	-	-	-
Net Position - Beginning		42,901,136	41,373,804	37,904,795	33,956,714	31,527,229	31,330,782	28,060,372	28,722,302	26,463,119	20,412,724
Net Position - Ending	\$	45,577,185	\$ 42,901,136	\$ 41,373,804	\$ 37,904,795	\$ 34,525,929	\$ 31,417,716	\$ 31,330,782	\$ 31,839,467	\$ 28,722,302	\$ 26,463,119

Changes in Fund Balance of the Governmental Funds

Tahoe City Public Utility District Changes in Fund Balances of Governmental Funds Last Ten Years (modified accrual basis of accounting)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Fees	\$ 773,344	\$ 547,018	\$ 692,482	\$ 664,259	\$ 537,394	\$ 410,153	\$ 442,891	\$ 571,485	\$ 520,240	\$ 559,633
Property taxes	8,225,439	7,452,235	8,062,703	7,435,199	7,036,697	6,717,678	6,314,533	5,713,528	5,569,351	5,249,163
Interest	38,156	177,996	308,831	225,163	123,975	120,327	88,211	51,736	(2,487)	(268)
Grants	23,299	61,421	143,751	1,848,360	509,364	2,718,957	706,453	1,289,217	551,250	4,713,215
Other	1,146,020	984,546	1,009,357	467,365	486,034	521,582	224,359	53,933	170,501	92,208
Total revenues	10,206,258	9,223,216	10,217,124	10,640,346	8,693,464	10,488,697	7,776,447	7,679,899	6,808,855	10,613,951
Expenditures										
Current										
Public works - Parks	3,785,278	3,392,981	3,308,613	2,989,372	2,938,775	2,333,481	2,310,189	2,085,922	2,017,398	1,885,281
Recreation	851,563	630,074	797,419	867,647	654,036	672,401	651,605	640,271	624,534	844,912
Other operating	398,382	228,242	384,368	98,985	86,651	103,784	109,790	163,378	201,516	164,734
Capital outlay	1,960,044	6,168,018	641,399	3,598,664	754,939	3,230,849	1,115,993	1,407,588	545,633	6,092,228
Debt service:	-	-	-	-	-	-	-	-	-	-
Principal	121,094	118,950	294,113	447,007	672,749	648,609	625,403	639,848	796,035	908,088
Interest	18,610	20,754	25,721	40,550	63,143	87,393	110,940	129,892	156,576	197,035
Total expenditures	7,134,971	10,559,019	5,451,633	8,042,225	5,170,293	7,076,517	4,923,920	5,066,899	4,341,692	10,092,278
Revenues over expenditures	3,071,287	(1,335,803)	4,765,491	2,598,121	3,523,171	3,412,180	2,852,527	2,613,000	2,467,163	521,673
Other Financing Sources (Uses)										
Proceeds from the sale of assets	12,905	12,000	20,400	-	11,250	-	-	17,400	300	300
Transfers out to other funds	-	(3,500,000)	-	-	-	(5,508,259)	-	-	-	-
Total other financing sources (uses)	12,905	(3,488,000)	20,400	-	11,250	(5,508,259)	-	17,400	300	300
Net change in fund balances	3,084,192	(4,823,803)	4,785,891	2,598,121	3,534,421	(2,096,079)	2,852,527	2,630,400	2,467,463	521,973
Fund Balances										
Fund Balance - Beginning	14,269,013	19,092,816	14,306,925	11,708,804	8,174,383	10,270,462	7,417,935	4,787,535	2,320,072	1,798,099
End of year	\$ 17,353,205	\$ 14,269,013	\$ 19,092,816	\$ 14,306,925	\$ 11,708,804	\$ 8,174,383	\$ 10,270,462	\$ 7,417,935	\$ 4,787,535	\$ 2,320,072
Debt Service as a Percentage of Noncapital Expenditures	2.70%	3.18%	6.65%	10.97%	16.67%	19.14%	19.34%	21.04%	25.09%	27.63%

Fund Balance of General Fund

Tahoe City Public Utility District
Fund Balances of General Fund
Last Ten Years
(modified accrual basis of accounting)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Nonspendable	\$ 260,095	\$ 226,964	\$ 213,728	\$ 136,715	\$ 172,113	\$ 153,770	\$ 168,226	\$ 93,903	\$ 28,811	\$ 65,553
Assigned	2,729,541	1,164,629	1,164,629	1,164,629	1,164,629	1,164,629	964,493	770,962	450,000	450,000
Unassigned	14,363,569	12,877,420	17,713,818	13,005,097	10,371,710	6,855,637	9,137,397	6,552,781	4,308,435	1,804,519
Total general fund	\$ 17,353,205	\$ 14,269,013	\$ 19,092,175	\$ 14,306,441	\$ 11,708,452	\$ 8,174,036	\$ 10,270,116	\$ 7,417,646	\$ 4,787,246	\$ 2,320,072

Tahoe City Public Utility District
Property Tax Uses
Last Ten Fiscal Years (unaudited)

Fiscal Year	Parks	% Change		Recreation	% Change		Water Fund	% Change		Sewer Fund	% Change		Debt Service	% Change		Reserves / Capital Expenditures	% Change	Total	% Change
		Inc. (Dec.)	%		Inc. (Dec.)	%		Inc. (Dec.)	%		Inc. (Dec.)	%		Inc. (Dec.)	%				
2012	\$ 1,247,270	-18.7%	\$ 503,378	32.4%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 1,112,040	15.0%	\$ 2,381,131	5.4%	\$ 5,269,112	2.5%			
2013	\$ 1,297,872	4.1%	\$ 285,373	-43.3%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 961,632	-13.5%	\$ 2,956,231	24.2%	\$ 5,592,638	6.1%			
2014	\$ 1,376,581	6.1%	\$ 317,206	11.2%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 779,012	-19.0%	\$ 3,163,448	7.0%	\$ 5,736,815	2.6%			
2015	\$ 1,469,973	6.8%	\$ 331,410	4.5%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 745,865	-4.3%	\$ 3,615,062	14.3%	\$ 6,337,820	10.5%			
2016	\$ 1,438,291	-9.4%	\$ 312,040	-5.8%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 745,777	0.0%	\$ 4,040,790	11.8%	\$ 6,740,969	6.4%			
2017	\$ 1,261,408	-12.3%	\$ 353,146	13.2%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 746,402	0.1%	\$ 4,108,126	1.7%	\$ 7,060,626	4.7%			
2018	\$ 1,316,481	4.4%	\$ 386,847	9.5%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 498,622	-33.2%	\$ 4,726,611	15.1%	\$ 7,459,482	5.6%			
2019	\$ 1,317,097	0.0%	\$ 404,883	4.7%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 342,267	-31.4%	\$ 5,288,762	11.9%	\$ 8,085,520	8.4%			
2020	\$ 1,239,015	-5.9%	\$ 540,504	33.5%	\$ 752,113	100.0%	\$ 89,387	100.0%	\$ 162,355	100.0%	\$ 139,704	-14.0%	\$ 4,799,180	-9.3%	\$ 8,316,386	2.9%			
2021	\$ 1,087,001	-12.3%	\$ 579,061	7.1%	\$ 561,664	-25.3%	\$ 92,768	3.8%	\$ 139,704	3.8%	\$ 139,704	-14.0%	\$ 5,346,762	11.4%	\$ 8,879,870	6.8%			

General Fund User Fees and Grants

Tahoe City Public Utility District
 General Fund User Fees and Grants
 Last Ten Fiscal Years (unaudited)

Fiscal Year	Fees for Service Parks		Grants for Parks		Maintenance Services Revenue for Parks		Fees for Service Property		Fees for Service Rec		Grants for Rec		Total	
	\$		\$		\$		\$		\$		\$			\$
2012	\$	303,501	\$	287,005	n/a	\$	22,210	\$	312,355	\$	29,179	\$	954,250	
2013	\$	318,224	\$	284,499	n/a	\$	22,180	\$	317,335	\$	18,729	\$	960,967	
2014	\$	268,813	\$	306,621	n/a	\$	21,628	\$	304,200	\$	13,974	\$	915,236	
2015	\$	317,870	\$	314,474	n/a	\$	28,030	\$	290,234	\$	20,836	\$	971,443	
2016	\$	335,828	\$	329,817	n/a	\$	25,470	\$	295,913	\$	64,441	\$	1,051,469	
2017	\$	367,142	\$	349,577	n/a	\$	366,729	\$	275,719	\$	25,171	\$	1,384,338	
2018	\$	317,907	\$	367,776	n/a	\$	456,287	\$	338,561	\$	42,624	\$	1,523,154	
2019	\$	371,450	\$	44,031	\$	334,816	\$	508,704	\$	353,115	\$	39,423	\$	1,651,540
2020	\$	219,100	\$	32,125	\$	364,469	\$	725,035	\$	79,280	\$	10,288	\$	1,430,297
2021	\$	530,100	\$	-	\$	364,469	\$	730,793	\$	271,460	\$	1,041	\$	1,897,862

TCPUD acquired the golf course in 2012 and was operated by a concessionaire. In 2016 TCPUD assumed the operation of the golf course property and restated golf revenue separate from parks revenue.

TCPUD changed method of accounting for Maintenance Services Revenue in 2019 - previously recorded as Grant Revenue

Ten Largest Customers

Tahoe City Public Utility District
Ten Largest Customers
Current Year and 2016

2021			2016		
Customer	Total Revenue	Rank	Customer	Total Revenue	Rank
TTUSD	\$ 84,038.75	1	TTUSD	\$ 63,344.97	1
TAHOE CITY PUD	\$ 36,686.00	2	HOMEWOOD VILLAGE RESORT	\$ 27,179.71	2
US DEPT OF AGRICULTURE	\$ 36,235.58	3	US DEPT OF AGRICULTURE	\$ 21,025.01	3
HOMEWOOD VILLAGE RESORT	\$ 35,663.71	4	NORTH TAHOE PUD	\$ 19,245.42	4
STATE OF CALIFORNIA	\$ 29,207.87	5	BOATWORKS AT TAHOE LLC	\$ 17,091.34	5
HOMEWOOD VILLAGE RESORT	\$ 21,811.18	6	TAHOE CITY PUD	\$ 12,402.91	6
NORTH TAHOE PUD	\$ 20,178.90	7	SAVE MART SUPERMARKETS	\$ 12,071.70	7
JAMES & ALICIA GOETZ	\$ 18,665.40	8	SAFEWAY INC	\$ 11,011.20	8
BOATWORKS AT TAHOE LLC	\$ 18,154.98	9	TAHOE LODGING LLC dba AMERICAS BEST VALUE INN	\$ 10,731.36	9
GONSALVES FAMILY TRUST	\$ 17,741.31	10	WILLIAM & MICHELE GREEN	\$ 9,474.42	10

Sources: Tahoe City Public Utility District Accounting Department. Excludes TCPUD Owned Facility Water Use

Change in Assessed Value

Tahoe City Public Utility District
 Change in Assessed Value
 Excludes Airplane Valuations
 Last Ten Fiscal Years (unaudited)

Fiscal Year	Placer County		El Dorado County	
	Amount	% Change	Amount	% Change
2012/2013	\$ 3,079,321,196	1.01%	\$ 753,402,523	1.56%
2013/2014	\$ 3,172,915,589	3.04%	\$ 805,564,963	6.92%
2014/2015	\$ 3,269,931,584	3.06%	\$ 871,792,785	8.22%
2015/2016	\$ 3,613,932,093	10.52%	\$ 943,137,812	8.18%
2016/2017	\$ 3,699,976,391	2.38%	\$ 991,180,172	5.09%
2017/2018	\$ 3,864,245,853	4.44%	\$1,040,463,983	4.97%
2018/2019	\$ 4,027,472,074	4.22%	\$1,112,925,301	6.96%
2019/2020	\$ 4,294,179,030	6.62%	\$1,149,479,810	3.28%
2020/2021	\$ 4,510,912,202	5.05%	\$1,209,559,779	5.23%
2021/2022	\$ 4,821,382,887	6.88%	\$1,295,760,276	7.13%

Source: Placer County Assessed Valuation and Tax Rates (Excludes Airplane Valuations) and County of El Dorado Assessed value by Agency

Change in School Enrollment

Tahoe City Public Utility District Change in School Enrollment Last Ten Fiscal Years (unaudited)

Fiscal Year	Tahoe Lake Elementary School		North Tahoe Middle School		North Tahoe High School	
	Number of Students	% Change	Number of Students	% Change	Number of Students	% Change
2012/2013	330	29.41%	424	-17.35%	303	-5.31%
2013/2014	322	-2.42%	406	-4.25%	326	7.59%
2014/2015	321	-0.31%	422	3.94%	325	-0.31%
2015/2016	303	-5.61%	430	1.90%	362	11.38%
2016/2017	279	-7.92%	446	3.72%	398	9.94%
2017/2018	257	-7.89%	458	2.69%	408	2.51%
2018/2019	246	-4.28%	494	7.86%	428	4.90%
2019/2020	224	-8.94%	499	1.01%	426	-0.47%
2020/2021	241	7.59%	471	-5.61%	448	5.16%
2021/2022	246	2.07%	494	4.88%	428	-4.46%

Source: California Department of Education

Source: <https://www.cde.ca.gov/sdprofile/details.aspx?cds=31669446094502>

Placer County Transient Occupancy Tax Collections

Tahoe City Public Utility District
Transient Occupancy Tax
Placer County District 5 Collections
For the year ended June 30

<u>FY Year</u>	<u>Collections*</u>
2020-2021	\$ 21,914,511
2019-2020	\$ 17,900,415
2018-2019	\$ 21,037,456
2017-2018	\$ 17,905,680
2016-2017	\$ 17,719,703
2015-2016	\$ 16,018,078
2014-2015	\$ 12,145,811
2013-2014	\$ 11,586,799
2012-2013	\$ 11,338,282
2011-2012	\$ 10,191,876

Source: North Lake Tahoe Resort Association and Placer County Website

**Annual collection amounts will change due to a variety of factors such as lagging reporting and delinquent collections.*

Demographic Statistics

TAHOE CITY PUBLIC UTILITY DISTRICT
Demographic Statistics
Tahoe City Public Utility District, Placer County and El Dorado County

Year	District Workforce (actual FTEs) ⁽¹⁾	Population ⁽²⁾		Median Household Income ⁽⁵⁾		Unemployment Rate ⁽⁴⁾	
		Placer County	El Dorado County	Income (Placer Co)	Income (El Dorado Co)	Placer County	El Dorado County
2021	67.35	409,044	191,992	Data Not Available ⁽⁵⁾	Data Not Available ⁽⁵⁾	3.2%	3.9%
2020	67.42	397,469	191,282	\$100,662	\$83,710	6.2%	8.3%
2019	64.98	403,711	193,227	\$97,668	\$86,202	3.2%	3.6%
2018	59.75	395,978	190,018	\$89,175	\$81,869	3.2%	3.7%
2017	56.62	389,387	188,185	\$81,366	\$78,464	3.8%	4.4%
2016	54.32	383,598	185,147	\$85,326	\$75,100	4.4%	5.1%
2015	51.28	376,508	183,684	\$76,203	\$75,575	5.0%	5.7%
2014	49.88	371,264	182,540	\$75,689	\$70,235	6.3%	7.0%
2013	49.59	368,059	181,408	\$73,643	\$63,002	7.7%	8.5%
2012	48.14	363,837	180,599	\$69,521	\$68,446	9.4%	10.2%

Source: (1) Tahoe City Public Utility District HR Depart Workforce based on FTEs

(2) Populations derived from State of California Department of Finance

(3) MHI derived from Federal Reserve Bank of St. Louis

(4) Unemployment derived from Federal Reserve Bank of St. Louis

(5) To be released September 2022

<https://www.placer.ca.gov/7450/> 2021

Budgeted Full Time Staffing Levels

TAHOE CITY PUBLIC UTILITY DISTRICT
Full Time Staffing Levels*
Last Ten Fiscal Years (unaudited)

	Budget									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Utilities (water and sewer)	19.00	19.00	18.00	18.00	16.00	14.86	14.86	13.88	14.31	14.00
Governance and Administrative Services	13.00	11.00	11.00	11.05	10.60	9.45	9.20	9.17	9.17	9.00
Engineering	5.85	6.85	6.85	6.85	4.85	4.90	5.42	5.63	5.08	4.00
Technical Services	4.40	5.00	5.00	4.95	5.40	5.55	4.00	4.00	4.00	4.00
Parks and Recreation Administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Parks	6.96	8.05	8.62	8.09	8.03	6.12	6.05	6.22	6.44	5.00
Recreation	3.80	3.96	3.38	2.91	3.01	3.69	2.19	2.00	2.00	2.00
Golf / Winter Sports Park	1.99	0.75	0.75	0.75	0.75	0.75	0.00	0.00	0.00	0.00
Total	56.00	55.61	54.60	53.60	49.64	46.32	42.72	41.90	42.00	39.00

*Excludes Board Members

Source: Tahoe City Public Utility District Accounting Dept.

Budgeted Full Time Equivalents

TAHOE CITY PUBLIC UTILITY DISTRICT

Budgeted Full Time Equivalents
Fiscal Years (unaudited)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Water	10.87	11.23	10.13	10.16	9.26	7.72	8.03	7.30	7.26
Sewer	10.05	8.80	9.32	9.84	8.74	8.64	8.33	7.58	7.55
Engineering	2.85	3.05	3.00	2.89	3.00	2.00	3.70	3.73	3.26
Technical Services/GIS	4.60	5.00	5.00	4.95	5.40	5.55	4.00	4.03	3.80
Projects	3.00	3.80	3.85	3.96	1.85	1.90	1.72	1.90	2.50
Parks	13.65	13.67	13.19	13.29	12.95	12.14	12.31	12.29	12.23
Recreation	9.46	8.85	8.80	9.12	8.27	7.07	6.95	6.92	6.94
Golf Course/Winter Sports Park	5.90	6.37	6.17	6.78	7.44	0.00	0.00	0.00	0.00
Governance and Administrative Service	13.48	11.00	11.00	11.05	10.60	10.17	9.92	9.57	9.60
Total	73.86	71.77	70.46	72.04	67.51	55.19	54.96	53.32	53.14

Notes: 2018 was the first full fiscal year of golf course/winter sports park operation by TCPUD. 2022 Parks budget amended to add 2 new full-time positions

Source: Tahoe City Public Utility District Accounting Dept.

Operating Indicators by Function

Tahoe City Public Utility District Operating Indicators by Function Last Ten Years

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Utilities:										
Water production (million gallons) ⁶	568.9	585.7	531.0	558.7	386.8	351.8	329.0	413.7	470.8	482.7
Sewer flows (million gallons)	213.6	260.5	295.5	249.4	362.9	220.6	176.8	200.3	238.1	258.3
Lineal feet of sewer mains televised	177,978	143,765	158,365	215,900	118,800	142,558	119,015	68,913	170,942	207,204
Lineal feet of sewer mains cleaned	324,432	370,096	333,598	316,800	230,736	298,015	252,854	440,013	287,084	483,856
Technical Services:										
Permits issued - new	17	11	11	17	13	15	15	16	11	6
Permits issued - remodel	93	98	118	135	112	150	141	132	144	138
Number of sewer air tests	282	373	291	315	330	314	297	326	304	310
Escrow clearances processed	214	276	195	197	224	204	204	219	240	202
Plan checks completed	119	143	155	193	151	188	161	169	144	140
Parks:										
Miles of trails maintained	23	23	23	23	23	23	22	22	22	19
Number of facility rentals ¹	171	0	262	172	226	229	246	179	154	173
Recreation:										
Numbers enrolled in youth programs ²	2,546	97	564	396	552	605	1080	970	1246	643
Numbers enrolled in adult programs ³	92	0	196	239	95	95	147	178	113	158
Number of camp enrollees ⁴	770	0	1277	1184	909	1018	796	733	708	649

¹ Facility Rentals include Fairway Community Center, Tahoe Community Center, Highlands Community Center, Rideout, Commons Beach, Lake Forest Beach, Skylandia Park, Marie Sluchak Park, Kilner Park and Heritage Plaza. Excludes ball fields or trails. 2020 facility closures due to COVID-19.

² Youth Programs Include: All Rideout classes, contract classes, youth sports, snow days, RAP, Night out at Rideout, swim lessons, and swim team. 2020 programs cancelled due to COVID-19

Numbers were re-defined in 2016 to include only enrollment numbers as opposed to participant numbers.

³ Adult Programs Include: Adult Sports, Sailing, Puppy Training, and yoga. 2020 programs cancelled due to COVID-19

Numbers were re-defined beginning 2016 to include enrollment as opposed to participant numbers.

⁴ Camps Include: Skylandia, Sailing, Specialty Camps, Spring Break Camp, Ski Skate Camp, winter/holiday camps, explorers adventure. 2020 camps closed due to COVID-19

⁶ Increase in 2018 due to purchase of three water systems in January 2018

Tahoe City Public Utility District
 User Statistics, Last Ten Fiscal Years
 Total number of users (unaudited)

Program	Unit of Measurement	Actuals									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Water	Customers	5,740	5,733	5,720	5,711	4,167	4,167	4,168	4,173	4,188	4,088
Sewer	Customers	7,725	7,732	7,721	7,702	7,689	7,674	7,665	7,645	7,636	7,636
Camp Skylandia	Enrolled Campers ⁽¹⁾	753	228	1,012	1,184	909	1,018	796	733	708	649
Concerts at Commons Beach	Individual Attendees ⁽²⁾	0	0	28,500	21,500	24500	23,000	16,550	15,525	20,550	23,200
Tahoe City Golf Course	Rounds Played ⁽³⁾	18,678	25,015	11,800	9,489	8,545	10,228	12,832	9,974	11,637	11,060
Lake Forest Boat Ramp	Boats Launched	8,980	7,691	5,391	5,309	5,529	6,860	5,280	5,005	4,476	4,532
Bike Trails-Summer Usage	Users ⁽⁴⁾	TBP	TBP	377,016	278,208	252,080	277,196	304,612	484,932	361,192	371,404
Winter Sports Park (WSP)	Users ^{(5) (6)}	10,179	10,153	9,716	9,894	n/a	n/a	n/a	n/a	n/a	n/a

Source: Tahoe City Public Utility District

- (1) 2020 summer activity cancelled due to COVID-19
 (2) 2020 & 2021 concerts were cancelled due to COVID-19 / prior years estimated
 (3) 2020 increased usage due to individuals looking for outdoor activity due to COVID-19
 (4) Bike trail usage based on estimates per annual survey. 2020 usage data delayed due to COVID-19
 2019-2015 one less survey location - estimated
 (5) WSP first season of operation is 2017/2018. Season crosses fiscal year.
 Usage reported for the season ending March of the current year.
 (6) Totals do not include season pass holders as they were not tracked; Reporting daily visits only.
 n/a - data not available / or no operations
 tbp - to be provided at a later date

Water and Sewer Base Rates

Tahoe City Public Utility District
 Water and Sewer Base Rates
 Last Ten Fiscal Years (unaudited)

Year	Residential	Commercial	Residential	Commercial
	Monthly Water Base Rate .75" meter	Monthly Water Base Rate .75" meter	Monthly Sewer Base Rate	Monthly Sewer Base Rate Hotel Room w/Kitchen - per room
2012	\$55.00	\$67.00	\$31.75	\$12.93
2013	\$55.00	\$67.00	\$34.61	\$14.09
2014	\$55.00	\$67.00	\$36.34	\$14.79
2015	\$59.00	\$71.00	\$38.41	\$15.63
2016	\$62.50	\$75.25	\$38.41	\$15.63
2017	\$66.25	\$79.75	\$39.95	\$16.26
2018	\$70.25	\$84.50	\$42.92	\$17.46
2019	\$74.50	\$89.50	\$44.14	\$17.96
2020	\$79.31	\$79.31	\$46.79	\$19.04
2021	\$84.07	\$84.07	\$49.60	\$20.18

Rates adjusted January 1. Prior to 2015, rates were adjusted at April 1 of each year.

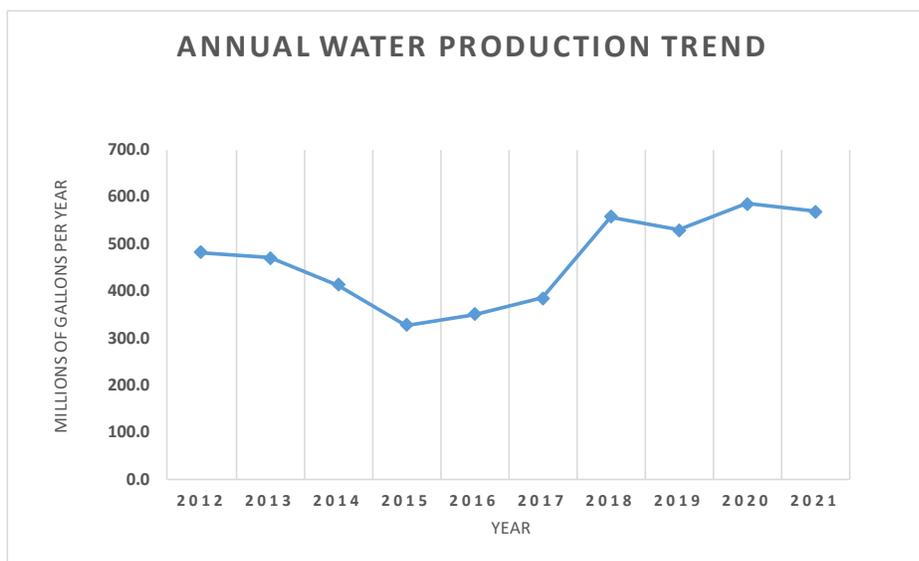
Source: Tahoe City Public Utility District

Water Production

Tahoe City Public Utility District
Water Production
Last Ten Years
(In million gallons)

Monthly Production	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Jan	22.5	26.8	19.2	21.3	19.0	23.3	30.4	34.7	29.8	28.7
Feb	15.4	17.8	16.4	14.2	15.9	21.9	24.3	24.4	24.0	23.0
Mar	15.0	16.5	13.7	12.6	12.5	18.1	24.7	22.1	22.3	24.5
April	14.3	17.7	16.8	15.0	12.9	16.1	23.0	20.9	17.7	22.3
May	50.1	42.7	38.2	26.3	20.0	17.5	32.9	24.3	43.2	43.8
June	64.9	66.1	57.7	37.8	42.9	47.4	64.5	52.0	72.7	80.8
July	95.0	78.1	72.3	53.0	62.8	68.7	90.4	94.6	86.9	91.0
Aug	73.1	79.8	63.6	51.5	60.3	64.3	94.8	88.7	93.4	86.7
Sept	55.2	49.5	56.4	42.1	48.7	51.3	84.4	81.7	84.8	77.5
Oct	41.2	41.5	31.9	26.6	29.9	31.4	44.3	42.1	62.1	48.9
Nov	16.2	12.9	14.2	12.7	12.1	12.8	23.8	21.1	25.9	20.2
Dec	19.7	21.4	13.4	16.0	14.8	14.2	21.4	24.4	22.8	21.5
Annual Totals	482.7	470.8	413.7	329.1	351.8	386.8	558.7	531.0	585.7	568.9
Average Monthly Water Production	40.2	39.2	34.5	27.4	29.3	32.2	46.6	44.2	48.8	47.4

Source: Tahoe City Public Utility District Water Department
Increase in 2018 due to purchase of three water systems in January 2018

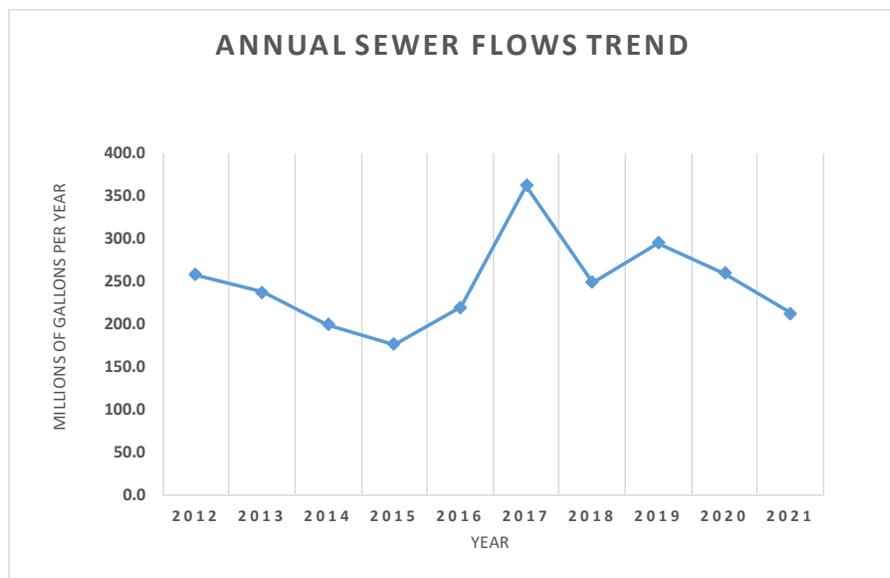


Sewer Flows

Tahoe City Public Utility District
Sewer Flows
Last Ten Years
(In million gallons)

Monthly Sewer Flows	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Jan	18.5	22.1	15.2	14.5	18.2	30.6	18.3	21.0	20.1	17.8
Feb	18.3	19.3	20.0	14.8	20.2	51.4	15.8	21.7	19.9	19.2
Mar	23.9	22.6	17.3	12.8	26.0	44.9	23.9	28.5	19.7	20.1
April	23.7	18.6	14.4	11.7	21.5	50.2	30.5	37.0	20.9	18.6
May	20.6	18.7	15.1	13.1	16.8	38.0	22.2	33.5	21.6	17.2
June	21.2	20.4	16.8	14.5	17.1	25.1	21.8	26.8	23.7	20.3
July	29.9	30.1	25.3	22.6	23.4	30.2	29.0	31.8	29.6	24.8
Aug	27.3	26.4	22.8	19.7	18.6	24.4	23.9	26.1	26.7	16.7
Sept	19.6	17.4	14.0	14.1	13.5	17.8	18.4	20.0	21.7	10.1
Oct	15.6	13.8	11.8	11.6	11.9	15.1	14.1	15.0	19.5	13.7
Nov	15.5	12.4	11.2	11.1	11.1	17.0	14.1	15.0	17.5	14.4
Dec	24.4	16.2	16.5	16.4	22.2	18.2	17.5	19.1	19.6	20.9
Annual Totals	258.3	238.1	200.3	176.8	220.6	362.9	249.5	295.5	260.5	213.6
Average Monthly Sewer Flows	21.5	19.8	16.7	14.7	18.4	30.2	20.8	24.6	21.7	17.8

Source: Tahoe City Public Utility Sewer Department



Outstanding Debt by Debt Type

Outstanding Debt by Debt Type

		Governmental Activities									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
State Revolving Fund 2008	\$	911,046	\$ 1,032,140	\$ 1,151,089	\$ 1,267,932	\$ 1,382,705	\$ 1,735,848	\$ 2,076,980	\$ 2,406,555	\$ 2,761,765	\$ 3,283,910
Special assessment bonds with governmental commitments	-	-	-	-	12,513	25,026	37,539	50,052	62,566	75,079	87,592
Pension related debt	-	-	-	164,757	484,478	791,571	1,086,535	1,369,850	1,641,975	1,903,353	1,903,353
Total long-term debt	\$	911,046	\$ 1,032,140	\$ 1,151,089	\$ 1,445,202	\$ 1,892,209	\$ 2,564,958	\$ 3,213,567	\$ 3,838,971	\$ 4,478,819	\$ 5,274,855
		Business-type Activities									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
State Revolving Fund 2021	\$	2,794,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessment bonds with governmental commitments	-	-	-	44,617	88,113	130,794	172,678	213,778	254,109	293,685	332,521
Total long-term debt	\$	2,794,450	\$ -	\$ 44,617	\$ 88,113	\$ 130,794	\$ 172,678	\$ 213,778	\$ 254,109	\$ 293,685	\$ 332,521
		Total									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
State Revolving Fund	\$	3,705,496	\$ 1,151,089	\$ 1,151,089	\$ 1,267,932	\$ 1,382,705	\$ 1,735,848	\$ 2,076,980	\$ 2,406,555	\$ 2,761,765	\$ 3,283,910
Special assessment bonds with governmental commitments	-	-	-	44,617	100,626	155,820	210,217	263,830	316,675	368,764	420,113
Pension related debt	-	-	-	-	164,757	484,478	791,571	1,086,535	1,369,850	1,641,975	1,903,353
Total long-term debt	\$	3,705,496	\$ 1,151,089	\$ 1,195,706	\$ 1,533,315	\$ 2,023,003	\$ 2,737,636	\$ 3,427,345	\$ 4,093,080	\$ 4,772,504	\$ 5,607,376