Annual Financial Report

for the Year ended June 30, 2025

PREPARED FOR

GDPUD

Georgetown Divide Public Utilities District At
6425 Main Street
Georgetown, CA 95634

3478 Buskirk Ave, Ste 217
Pleasant Hill, CA 94523

MAZE & ASSOCIATES

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Georgetown Divide Public Utility District
Georgetown, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of business-type, and the fiduciary fund of the Georgetown Divide Public Utility District (District), California, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

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

Basis for Opinions

We conducted our 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 requirement 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 these 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 the 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Change in Accounting Principal

Management adopted the provision of the following Governmental Accounting Standards Board Statement 101, *Compensated Absences*, which became effective during the year ended June 30, 2025 and required the restatement of net position as discussed in Note 18 to the financial statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other Required Supplementary Information 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.

Report on Summarized Comparative Information

We have previously audited the District's June 30, 2024 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our report dated February 26, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2026, 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.

Maze + Associates

Pleasant Hill, California
February 5, 2026

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Management's Discussion and Analysis
June 30, 2025

As management of the Georgetown Divide Public Utility District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the audited financial statements and accompanying notes that follow this section.

Financial Highlights

Total revenue for the fiscal year ending June 30, 2025, was $7,970,714, an increase of $375,986 or 5% from the previous fiscal year. Total expenses were $8,168,024, a decrease of $815,543 or 9% from the previous fiscal year. The decrease in net position was $197,310 for the fiscal year.

Operating revenue totaled $4,086,596 for the fiscal year ended June 30, 2025, an increase of $374,402 or 9% from the previous fiscal year. Operating expenses totaled $8,012,869, a decrease of $793,602 or 9% from the previous fiscal year.

Non-operating revenue was $3,884,118, an increase of $1,584 or 1%. Non-operating expenses were $155,155, a decrease of $21,941 or 13%. The remaining non-operating revenue supplements operating revenue to cover operating expenses and capital improvements.

Overview of the Financial Statements

This annual report consists of four parts: Management's Discussion and Analysis, the Basic Financial Statements, and Required Supplementary Information.

The required financial statements are the Statement of Net Position at June 30, 2025; the Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds for the fiscal year ended June 30, 2025; and the Statement of Cash Flows – Proprietary Funds for the fiscal year ended June 30, 2025, at the fund level. The final required financial statement is the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The financial statements also include comprehensive notes which summarize the official accounting policies of the District.

The financial statements, except for the cash flow statement, are prepared using the accrual basis of accounting, which means that revenues are recorded when earned and expenses are recorded when incurred regardless of the timing of cash receipts or payments. The cash flow statement is an exception because that statement shows the receipt and payment of cash for operating activities, non-capital financing activities, capital and related financing activities, and investing activities.

Required Financial Statements

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

All of the current fiscal year's revenues and expenses are accounted for in the *Statement of Revenues, Expenses, and Changes in Net Position.* This statement measures the District's operations over the past fiscal year and can be used to determine whether the District has successfully recovered all of its costs through its rates, fees, and other charges. The District's net position and credit worthiness can also be determined from this statement.

The primary purpose of the *Statement of Cash Flows* is to provide information about the District's cash receipts and cash payments during the reporting period. This statement reports on cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. It explains where cash came from, cash usage, and the change in the cash balance during the reporting period.

Fiduciary funds are used to account for resources held for the benefit of parties outside and within the District. Since the resources of these funds are not available to support the District's own programs, they are not reflected in the government wide financial statements. *The Statement of Fiduciary Net Position* is found on page 18.

Statement of Net Position

The Statement of Net Position is a snapshot in time that shows assets, liabilities, and net assets as of June 30, 2025. Net Position decreased by $319,355 to $20,309,280 in fiscal year 2025. Total assets and deferred outflows decreased by $1,263,025 or 3.2%. This decrease is attributable to the net of accumulated depreciation of capital assets. Liabilities and deferred inflows decreased by $943,670 to $18,562,215. The decrease in liabilities is due to a decrease in Pension and OPEB liability. A summary of the District's Statement of Net Position is presented in Table A-1.

Table A-1
Condensed Statement of Net Position

	Fiscal Year 2025	Fiscal Year 2024	Dollar Change	Percent Change
Current Assets	$ 8,410,288	$ 7,422,337	$ 987,951	13.31%
Restricted Assets	$ 2,919,632	$ 3,842,608	$ (922,976)	-24.02%
Capital Assets, Net of Accumulated Depriciation	$ 25,380,301	$ 26,191,124	$ (810,823)	-3.10%
Total Assets	$ 36,710,221	$ 37,456,069	$ (745,848)	-1.99%
Deferred Outflows of Resources	$ 2,161,274	$ 2,678,451	$ (517,177)	-19.31%
Total Assets and Deferred Outflows of Resources	$ 38,871,495	$ 40,134,520	$ (1,263,025)	-3.15%
Current Liabilities	$ 960,406	$ 950,393	$ 10,013	1.05%
Long-term Liabilities	$ 16,674,816	$ 17,269,141	$ (594,325)	-3.44%
Total Liabilities	$ 17,635,222	$ 18,219,534	$ (584,312)	-3.21%
Deferred Inflows of Resources	$ 926,993	$ 1,286,351	$ (359,358)	-27.94%
Total Liabilities and Deferred Inflows of Resources	$ 18,562,215	$ 19,505,885	$ (943,670)	-4.84%
Invested in Capital Assets, Net of Related Debt	$ 16,908,896	$ 17,143,916	$ (235,020)	-1.37%
Restricted Net Position for Facilities	$ 2,578,802	$ 2,578,801	$ 1	0.00%
Unrestricted Net Position	$ 821,582	$ 905,918	$ (84,336)	-9.31%
Total Net Position	$ 20,309,280	$ 20,628,635	$ (319,355)	-1.55%

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position provides information on the nature and source of assets represented on the Statement of Net Position. Beginning net position was adjusted by a restatement of $122,045 to reflect the implementation of new accounting standard GASB 101. After the restatement and the current-year change in net position, ending net position totalled $20,309,280. It also shows that the expenses exceed revenues by $197,310 and that total revenues increased by $375,986 in 2025 totaling $7,970,714. The Statement of Revenues, Expenses, and Changes in Net Position lists the operating revenues and the non-operating revenues together and compares them to operating and non-operating expenses. Table A-2 depicts total revenues and total expenses and the resulting changes in net position.

Table A-2
Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Fiscal Year 2025	Fiscal Year 2024	Dollar Change	Percent Change
Operating Revenues	$ 4,086,596	$ 3,712,194	$ 374,402	10.09%
Non-Operating Revenues and Contributions	$ 3,884,118	$ 3,882,534	$ 1,584	0.04%
Total Revenues	$ 7,970,714	$ 7,594,728	$ 375,986	4.95%
			$ -	
Operating Expenses	$ 8,012,869	$ 8,806,471	$ (793,602)	-9.01%
Non-operating Expenses	$ 155,155	$ 177,096	$ (21,941)	-12.39%
Total Expenses	$ 8,168,024	$ 8,983,567	$ (815,543)	-9.08%
			$ -	
Net Income (Loss)	$ (197,310)	$ (1,388,839)	$ 1,191,529	-85.79%
			$ -	
Beginning Net Position	$ 20,628,635	$ 22,017,474	$ (1,388,839)	-6.31%
Restatements			$ -	
Ending Net Position	$ 20,309,280	$ 20,628,635	$ (319,355)	-1.55%

Operating Revenues

In a purely business environment, operating revenues are meant to cover operating expenses. The District's operating revenues are significantly less than operating expenses. Therefore, the District operates on an operating loss and requires non-operating revenue to operate. The District is unique in that it receives a significant amount of non-operating revenue in the form of property taxes. Water Sales – Irrigation decreased by $59,545 due to fluctuations in active customers in water year 2025. The average monthly irrigation income from FY 24-25 was approximately $75,446 which includes the averaged rates from water year 2024 and 2025. Operating revenues are shown in Table A-3.

Table A-3
Condensed Operating Revenues

	Fiscal Year 2025	Fiscal Year 2024	Dollar Change	Percent Change
Water Sales - Residential (Treated Water)	$ 2,947,608	$ 2,930,595	$ 17,013	0.58%
Water Sales - Commercial	$ 323,906	$ -	$ 323,906	
Water Sales - Irrigation	$ 406,640	$ 466,185	$ (59,545)	-12.77%
Water Disposal Fees and Charges	$ 316,290	$ 221,288	$ 95,002	42.93%
Penalites	$ 67,905	$ 78,476	$ (10,571)	-13.47%
Connections	$ 24,247	$ 15,650	$ 8,597	54.93%
Total Operating Revenues	$ 4,086,596	$ 3,712,194	$ 374,402	10.09%

Operating Expenses by Department

Total operating expenses decreased $793,602 or 9% to $8,012,869. The hydroelectric activities are combined with the administrative activities as they are not material enough to present separately. The most significant decrease in operating expenses occurred in the Source of Supply department. The decrease is primarily due to higher-than-normal expenses in the prior year due to the Mosquito Fire recovery efforts. Transmission and distribution – raw water, Water Treatment and Onsite wastewater disposal – Zone departments also saw decreases in operating costs this year. Operating expenses are depicted in Table A-4.

Table A-4
Operating Expenses by Department

	Fiscal Year 2025	Fiscal Year 2024	Dollar Change	Percent Change
Source of Supply	$ 684,909	$ 846,305	$ (161,396)	-19.07%
Transmission and Distribution - Raw Water	$ 828,900	$ 803,032	$ 25,868	3.22%
Water Treatement	$ 1,026,764	$ 925,585	$ 101,179	10.93%
Transmission and Distribution - Treated Water	$ 1,490,606	$ 1,733,407	$ (242,801)	-14.01%
Administrative and Hyrdroelectric	$ 2,342,485	$ 3,089,872	$ (747,387)	-24.19%
Depreciation and Amortization	$ 1,086,385	$ 1,122,806	$ (36,421)	-3.24%
On-site Wastewater Disposal Zone	$ 459,978	$ 400,680	$ 59,298	14.80%
Pension and OPEB Expense	$ 92,842	$ (115,216)	$ 208,058	-180.58%
Total Operating Expenses	$ 8,012,869	$ 8,806,471	$ (793,602)	-9.01%

Operating Revenues vs. Operating Expenses

The District's operating loss decreased by $1,168,004 or approximately -23% from the prior year. Table A-5 compares operating revenues to operating expenses and depicts the District's reliance on other revenue for operations. Revenues increased by $374,402 and Operating Expenses decreased by $793,602.

Table A-5
Operating Revenues vs Operating Expenses

	Fiscal Year 2025	Fiscal Year 2024	Dollar Change	Percent Change
Operating Revenues	$ 4,086,596	$ 3,712,194	$ 374,402	10.09%
Operating Expenses	$ 8,012,869	$ 8,806,471	$ (793,602)	-9.01%
Operating Loss	$ (3,926,273)	$ (5,094,277)	$ 1,168,004	-22.93%

Non-operating Revenues and Expenses

The District's non-operating income is vital to covering operations. Interest income increased this year due to market fluctuations. Property tax revenue increased modestly, Capital Facility Payments increased significantly due to a new customer service installation fee, and the Supplemental Fees decreased slightly due to the new rates outlined in the 2024 Prop 218 Cost of Services Analysis effective January 1, 2025. Table A-6 compares non-operating revenues and expenses.

Table A-6
Non-Operating Revenues and Expenses

	Fiscal Year 2025	Fiscal Year 2024	Dollar Change	Percent Change
Property Taxes - General	$ 2,125,569	$ 2,023,311	$ 102,258	5.05%
Supplemental Fees	$ 607,082	$ 662,713	$ (55,631)	-8.39%
Grant Revenue	$ 316,204	$ 564,066	$ (247,862)	-43.94%
Interest Income	$ 493,790	$ 330,013	$ 163,777	49.63%
Lease Revenue	$ 112,040	$ 113,315	$ (1,275)	-1.13%
SMUD Payment	$ 138,781	$ 133,294	$ 5,487	4.12%
Hydroelectric Royalty Payments	$ 46,998	$ 54,360	$ (7,362)	-13.54%
Capital Facility Charges	$ 43,654	$ 1,462	$ 42,192	2885.91%
Gain on sale of asset	$ -	$ (4,993)	$ 4,993	-100.00%
Other Revenue	$ -	$ (11,582)	$ 11,582	-100.00%
Total Non-operating Revenues	$ 3,884,118	$ 3,865,959	$ 18,159	0.47%
Total Non-operating Expenses	$ (139,407)	$ (160,521)	$ 21,114	-13.15%
Non-operating Income less Non-operting Expense	$ 3,744,711	$ 3,705,438	$ 39,273	1.06%

Capital Assets

The District's investment in capital assets for the fiscal year was $350,583 The most significant investments in capital assets are:

- John Deere Dozer $9,240
- Office Building Renovations $140,748
- Generator $139,030
- Pump Station Retrofit $31,275

Additional information about District capital assets can be obtained in Note 4 of the notes to the financial statements.

Long-term Debt and Debt Administration

At June 30, 2025, the District had $17,635,222 in long-term debt, loans, and capital leases, which is $584,312 less than the prior fiscal year. The District continues to perform debt administration functions previously performed by the County on the District's behalf for certain 1915 Act bonds. Additional information about the District long-term debt can be obtained in Note 6 of the notes to the financial statements.

CalPERS Pension Plan

Assembly Bill 340 was recently passed by the California Legislature in an effort to reduce CalPERS pension costs in the long run. The District has participated in a CalPERS Pension Plan since February of 1972. There have been amendments to the contract with CalPERS over the years. CalPERS requires the District to be part of a small employer pool and the 2006 contract change which requires payments to reduce a side fund. The contribution requirements of the plan members are established by state statute and the employer contribution rate is established and may be amended by CalPERS. The *Governmental Accounting Standards Board Statement No. 68 – Accounting and Financial Reporting by Employers for Pensions* established new accounting rules for reporting pension obligations effective years ending after June 15, 2013. Prior to this pension obligations were not accounted for on the balance sheet. Actuarial valuations are provided by CalPERS that support the calculation of the Net Pension Liability and related Deferred Outflows and Inflows of Resources. Net Pension liability is determined by accounting for the proportionate share of the actuarially determined total pension liability less the proportionate share of the actuarially determined fiduciary net position of the cost-sharing plan. Year over year changes to the actuarial assumptions are amortized over a fixed period and accounted for in Deferred Outflows and Inflows of Resources in order to smooth the otherwise large swings in changes. The net of all annual changes to Net Pension Liability and Deferred Inflows and Outflows of Resources are recognized in Pension Expense. At June 30, 2025, the District reported $6,529,587 in Net Pension liability, a decrease of $111,918 from the prior year balance of $6,641,505. Deferred Outflows of Resources were $2,161,274, down $517,177 from the prior year balance of $2,678,451. Deferred Inflows of Resources were $444,762 , down $312,425 from the prior year balance of $757,178. Pension expenses were $929,448, an increase of $354,456 from the prior year's amount of $574,992. Additional information about Pensions can be obtained in Note 13 of the notes to the financial statements.

Postemployment Benefits Other Than Pensions

The District has been endeavoring to fund these benefit commitments for many years. On April 11, 2006, the District adopted Ordinance 2006-01 regarding retiree health benefits implementing caps on the amount the District would pay towards these types of benefits. In Fiscal Year 2009-10 the District implemented *Governmental Accounting Standards Board Statement No. 45 – Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* which required the calculation and reporting of the current obligation. Effective fiscal years ending after June 15, 2017, *Government Accounting Standards Board Statement No. 75 – Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* require municipalities to report a Net OPEB Liability similar to that of Net Pension Liability. A calculation of the future liability for these benefits has been prepared by a qualified actuarial, utilizing the alternative measurement method allowed by the statement for small employers with less than 100 participants. The estimated actuarial liability at June 30, 2025, is $2,076,795, a decrease of $39,515. As the District administers this plan without a trust, the designated assets set aside for these benefits are not recognized in the notes to the financial statements. Additional information about post-employment benefits other than pensions can be obtained in Note 15 of the notes to the financial statements.

Economic Factors and Rates

The Georgetown Divide Public Utility District (GDPUD) serves communities in western El Dorado County, within the Sierra Nevada Foothills and Northern California's Gold Country. The district spans 72,000 acres (112.5 square miles) and provides raw and treated water along with on-site wastewater disposal to approximately 10,000 residents through 3,800 connections.

Founded on June 11, 1946, under the California Public Utility District Act, GDPUD sources its water from Pilot Creek and tributary water rights, supplying approximately 12,000 acre-feet per year. The district's primary reservoir, Stumpy Meadows, has a storage capacity of 21,206 acre-feet. Accessible via Highway 50 and Interstate 80, GDPUD has historical roots dating back to 1852, evolving from private water companies, including the El Dorado, Pilot, and Rock Creek Canal Companies.

The District's customers are primarily residential and commercial, with no major industrial users. Growth rate has remained consistent year to year and economic conditions have sustained growth in assessed land values.

In February 2024, the District initiated a Water Cost-of-Service Analysis (COSA) to evaluate the costs of providing water and wastewater services. On March 7, 2024, the Board approved an agreement with a consulting firm to complete the study by December 2024, with new rates set for implementation on January 1, 2025.

On December 12, 2024, these new rates were adopted and implemented January 1, 2025. The water system's financial performance is driven by the ability of the current water rates to meet the District's funding needs. To maintain financial sufficiency, water rates must fully fund operations and maintenance (O&M) costs, capital improvement plan (CIP) expenditures, and any relevant financial policies, which typically include target reserve balances and debt coverage.

Requests for Information

This financial report is designed to provide a general overview of the finances of the Georgetown Divide Public Utility District. After the financial report is approved by the Board of Directors, it can be found under the financial section on the District's website (gd-pud.org). Copies of the report are also provided to the El Dorado County libraries in Placerville and Georgetown. A copy will be available for review at the District office, located at 6425 Main St, Georgetown, California 95634. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the General Manager of the District, Georgetown Divide Public Utility District, P.O. Box 4240, Georgetown, California 95634-4240.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE
AS OF JUNE 30, 2025
WITH SUMMARIZED TOTALS AS OF JUNE 30, 2024

ASSETS	Water	Wastewater Disposal	Totals 2025	Totals 2024
Assets:				
Current:				
Cash and investments	$6,930,006	$379,650	$7,309,656	$6,545,728
Receivables:				
Accounts	841,647	72,645	914,292	685,935
Assessments receivable				4,057
Accrued interest				330
Prepaid expenses	186,340		186,340	186,287
Total Current Assets	7,957,993	452,295	8,410,288	7,422,337
Noncurrent:				
Restricted:				
Cash and investments	2,170,900	216,253	2,387,153	3,272,970
Lease receivable	532,479		532,479	569,638
Capital assets - net of accumulated depreciation	25,292,438	87,863	25,380,301	26,191,124
Total Noncurrent Assets	27,995,817	304,116	28,299,933	30,033,732
Total Assets	35,953,810	756,411	36,710,221	37,456,069
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	2,009,300	151,974	2,161,274	2,678,451
Total Deferred Outflows of Resources	2,009,300	151,974	2,161,274	2,678,451
Total Assets and Deferred Outflows of Resources	37,963,110	908,385	38,871,495	40,134,520

(Continued)

See accompanying notes to financial statements

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE
AS OF JUNE 30, 2025
WITH SUMMARIZED TOTALS AS OF JUNE 30, 2024

		Wastewater	Totals	
LIABILITIES	Water	Disposal	2025	2024
Current Liabilities:				
Accounts payable	201,464	2,651	204,115	234,150
Accrued liabilities	52,662	4,272	56,934	77,202
Accrued interest	12,930		12,930	13,866
Unearned revenue	10,458		10,458	
Deposits payable	21,000		21,000	6,000
Accrued compensated absences	63,562	5,950	69,512	43,372
Loans and capital leases	585,457		585,457	575,803
Total Current Liabilities	947,533	12,873	960,406	950,393
Noncurrent Liabilities:				
Accrued compensated absences	166,867	15,619	182,486	39,921
Total OPEB liability	2,076,795		2,076,795	2,116,310
Net pension liability	6,070,444	459,143	6,529,587	6,641,505
Loans and capital leases	7,885,948		7,885,948	8,471,405
Total Noncurrent Liabilities	16,200,054	474,762	16,674,816	17,269,141
Total Liabilities	17,147,587	487,635	17,635,222	18,219,534
DEFERRED INFLOWS OF RESOURCES				
Pension related	413,488	31,274	444,762	757,178
Lease related	482,231		482,231	529,173
Total Deferred Inflows of Resources	895,719	31,274	926,993	1,286,351
Total Liabilities and Deferred Inflows of Resources	18,043,306	518,909	18,562,215	19,505,885
NET POSITION				
Net investment in capital assets	16,821,033	87,863	16,908,896	17,143,916
Restricted for new facilities	2,361,578	217,224	2,578,802	2,578,801
Unrestricted	737,193	84,389	821,582	905,918
Total Net Position	$19,919,804	$389,476	$20,309,280	$20,628,635

See accompanying notes to financial statements

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
WITH SUMMARIZED TOTALS FOR YEAR ENDED JUNE 30, 2024

	Water	Wastewater Disposal	Totals 2025	Totals 2024
OPERATING REVENUES:				
Water Sales:				
Residential	$2,947,608		$2,947,608	$2,930,595
Commercial	323,906		323,906	
Irrigation	406,640		406,640	466,185
Installations and connections	24,247		24,247	15,650
Waste disposal:				
Zone charges		$299,890	299,890	207,652
Design fees		820	820	820
Escrow fees		15,580	15,580	12,816
Penalties	67,905		67,905	78,476
Total Operating Revenues	3,770,306	316,290	4,086,596	3,712,194
OPERATING EXPENSES:				
Source of supply	684,909		684,909	846,305
Transmission and distribution - raw water	828,900		828,900	803,032
Water treatment	1,026,764		1,026,764	925,585
Transmission and distribution - treated water	1,490,606		1,490,606	1,733,407
Customer service				
Administrative and hydroelectric	2,342,485		2,342,485	3,089,872
On-site wastewater disposal zone		459,978	459,978	400,680
Pension and OPEB expense	84,950	7,892	92,842	(115,216)
Depreciation expense	1,070,635	15,750	1,086,385	1,122,806
Total Operating Expenses	7,529,249	483,620	8,012,869	8,806,471
NET OPERATING INCOME (LOSS)	(3,758,943)	(167,330)	(3,926,273)	(5,094,277)
NONOPERATING REVENUE (EXPENSE):				
Tax revenue - general	2,125,569		2,125,569	2,023,311
Surcharge	607,082		607,082	662,713
Grant revenue	316,204		316,204	564,066
Interest revenue	469,859	23,931	493,790	330,013
Lease revenue	112,040		112,040	113,315
SMUD payment	138,781		138,781	133,294
Hydroelectric royalty payments	46,998		46,998	54,360
Capital facility charge	43,654		43,654	1,462
Gain (loss) on disposal of capital assets				(4,993)
Interest expense	(139,407)		(139,407)	(160,521)
Other expense	(15,748)		(15,748)	(11,582)
Total Nonoperating Revenue (Expenses), net	3,705,032	23,931	3,728,963	3,705,438
CHANGE IN NET POSTION	(53,911)	(143,399)	(197,310)	(1,388,839)
NET POSITION, BEGINNING OF YEAR AS PREVIOUSLY STATED	20,079,864	548,771	20,628,635	22,017,474
PRIOR PERIOD ADJUSTMENT (Note 18)	(106,149)	(15,896)	(122,045)	
NET POSITION, BEGINNING OF YEAR AS RESTATED	19,973,715	532,875	20,506,590	
NET POSITION, END OF YEAR	$19,919,804	$389,476	$20,309,280	$20,628,635

See accompanying notes to financial statements

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GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE
FOR THE YEAR ENDED JUNE 30, 2025
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2024

		Wastewater	Totals	
	Water	Disposal	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	$3,570,504	$282,339	$3,852,843	$3,798,704
Cash paid to suppliers for goods and services	(2,637,534)	(174,406)	(2,811,940)	(4,184,546)
Cash paid to employees for services	(3,650,308)	(267,101)	(3,917,409)	(2,853,825)
Cash Flows from Operating Activities	(2,717,338)	(159,168)	(2,876,506)	(3,239,667)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property taxes received	2,125,569		2,125,569	2,023,311
Surcharge	607,082		607,082	662,713
Grant revenue	316,204		316,204	564,066
Receipts from capacity charges	43,654		43,654	1,462
Lease revenue	112,040		112,040	113,315
SMUD receipts	138,781		138,781	133,294
Hydroelectric royalty receipts	46,998		46,998	54,360
Other revenue	43,654		43,654	1,462
Other expenses	(15,748)		(15,748)	(23,626)
Receipts from cellular antenna rentals	439,865		439,865	578,869
Net Cash Flows from Noncapital Financing Activities	3,858,099		3,858,099	4,109,226
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Additions to utility plant and equipment	(275,562)		(275,562)	(709,578)
Principal payments on long-term debt	(575,803)		(575,803)	(568,245)
Interest paid on long-term debt	(140,343)		(140,343)	(147,322)
Gain (loss) from sale of capital assets				(4,993)
Cash Flows from Capital and Related Financing Activities	(991,708)		(991,708)	(1,430,138)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from investment maturities and redemptions	(589,668)	(15,896)	(605,564)	
Interest received	469,859	23,931	493,790	331,249
NET CASH FLOWS	29,244	(151,133)	(121,889)	(229,330)
Cash and cash equivalents at beginning of year	9,071,662	747,036	9,818,698	10,048,028
Cash and cash equivalents at end of year	$9,100,906	$595,903	$9,696,809	$9,818,698

(Continued)

See accompanying notes to financial statements

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE
FOR THE YEAR ENDED JUNE 30, 2025
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2024

	Water	Wastewater Disposal	Totals 2025	Totals 2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	($3,758,943)	($167,330)	($3,926,273)	($5,094,277)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation	1,070,635	15,750	1,086,385	1,122,806
(Increase) decrease in accounts receivable	(190,019)	(33,951)	(223,970)	98,194
(Increase) decrease in lease receivable	37,159		37,159	35,259
(Increase) decrease in deposits and prepaid expense	(3,408)	3,355	(53)	(126,871)
(Increase) decrease in deferred outflow - pension	481,584	35,593	517,177	88,575
Increase (decrease) in accounts payable	(31,214)	1,179	(30,035)	34,356
Increase (decrease) in accrued liabilities	6,423	(1,233)	5,190	56,010
Increase (decrease) in compensated absences	153,535	15,170	168,705	14,732
Increase (decrease) in post-employment benefits	(39,515)		(39,515)	782,283
Increase (decrease) in deferred inflow - pension	(290,666)	(21,750)	(312,416)	(408,014)
Increase (decrease) in deferred inflow - lease	(46,942)		(46,942)	(46,943)
Increase (decrease) in net pension liability	(105,967)	(5,951)	(111,918)	204,223
Cash Flows from Operating Activities	($2,717,338)	($159,168)	($2,876,506)	($3,239,667)

See accompanying notes to financial statements

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2025

	Custodial Fund
ASSETS	
Cash and investments	$44,589
Receivables:	
Assessments	41,180
Total Assets	85,769
LIABILITIES	
Accrued interest	2,031
Unearned revenues	
Long-term liabilities:	
Due in one year	8,086
Due in more than one year	123,057
Total Liabilities	133,174
NET POSITION (DEFICIT)	
Held in trust for other purposes	(47,406)
Total Net Position	($47,406)

See accompanying notes to basic financial statements

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Custodial Fund
ADDITIONS	
Interest and change in fair value of investments	$11,281
Total Additions	11,281
DEDUCTIONS	
Interest expense	6,293
Other Miscellaneous Expense	1,789
Total Deductions	8,082
Change in net position	3,199
NET POSITION	
Beginning of year	(50,605)
End of year	($47,406)

See accompanying notes to basic financial statements

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NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Entity

The reporting entity, the Georgetown Divide Public Utility District (District), was created by the electorate, June 4, 1946, under the California Public Utility District Act of 1921. The District operates under a governing five-member Board of Directors (Board) elected at-large for four-year overlapping terms. The District's management is under the direction of the General Manager, who also serves as Clerk, and ex-officio Secretary of the Board, who is appointed by and serves at the pleasure of the Board.

B. Reporting Entity

The District's basic financial statements include the operations of all organizations for which the District's Board of Directors exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

Based upon the aforementioned oversight criteria, there are no component units in this report which met the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statements Nos. 39 and 61.

The basic financial statements include the accounts of two enterprise activities provided by the District: (1) raw and treated water services, and (2) wastewater disposal services in the Auburn Lake Trails (A.L.T.) subdivision.

C. Basis of Presentation

The District's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

The Fund Financial Statements provide information about the District's funds, including the fiduciary fund. Separate statements for each fund category – proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column.

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.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents 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.

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

Operating revenues in the proprietary funds are those revenues that are generated from the primary operation of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The District maintains one fiduciary fund. The "economic resources" measurement focus and the accrual basis of accounting is used for custodial funds.

D. Major Funds and Fiduciary Fund

GASB Statement No. 34 defines major funds and requires that the District's major proprietary funds are identified and presented separately in the fund financial statements.

Major funds are defined as funds that have assets, liabilities, revenues, or expenses equal to or greater than ten percent of their fund-type total and five percent of all fund-type totals. The District may also select other funds that it believes should be presented as major funds. The District reports all its proprietary funds as major funds.

The District reported the following major proprietary funds:

<u>Water</u>

This fund accounts for the activities of providing raw and treated water services to the customers. Raw water service is also known as irrigation water.

<u>Wastewater Disposal</u>

This fund accounts for the activities of monitoring wastewater disposal of the residents of the Auburn Lake Trails subdivision. The area is also known as the On-Site Wastewater Disposal Zone. The On-Site Wastewater Disposal Zone is comprised of all the lots in the Auburn Lake Trails Subdivision, including the lots connected to the Community Disposal System.

Additionally, the District reports a fiduciary fund to account for the debt service activities for the Stewart Mine Assessment District. The District's administration of this debt is a purely custodial function.

E. Basis of Accounting

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

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

F. Budget and Budgeting

Budget integration is employed as a management control device. Budgets are formally adopted by the Board of Directors and take effect the following July 1. The budgets are used as a management tool and are not a legal requirement.

G. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments (including restricted assets) with a maturity of twelve months or less when purchased to be cash equivalents.

H. Restricted Assets

These assets consist of certificates of deposit, short-term investments, and receivables which are restricted for debt service and other legal obligations.

I. Capital Assets

Purchased capital assets are recorded at cost. Donated capital assets are recorded at fair value at the date of donation. The District capitalizes capital assets valued over $5,000 and having a useful life of at least three years. Depreciation is recorded using the straight-line method over the estimated useful lives of the capital assets, which range from 30 to 100 years for the plant and pipelines and 3 to 15 years for other equipment.

J. Compensated Absences

Accumulated vacation and vested sick leave benefits are recorded as an expense and liability of the applicable enterprise funds as the benefits accrue to employees. The liability is calculated in accordance with generally accepted accounting principles and based on whether or not is it more likely than not that leave will be used before the employee leaves the District.

K. Property Taxes

The District receives property taxes from El Dorado County (County), which has been assigned the responsibility for assessment, collection, and apportionment of property taxes for all taxing jurisdictions within the County. The District's property taxes are levied each July 1, on the assessed values as of the prior January 1 for all real and personal property located in the District. Property sold after the assessment date (January 1) is reassessed and the amount of the supplemental property tax levied is prorated. Secured property taxes are due in two installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31.

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

The District participates in the County "Teeter Plan" method of property tax distribution and thus receives 100% of the District's apportionment each fiscal year, eliminating the need for an allowance for uncollectibles. The County, in return, receives all penalties and interest on the related delinquent taxes. Under the Teeter Plan, the County remits property taxes to the District based on assessments, not on collections, according to the following schedule: 55 percent in December, 40 percent in April, and 5 percent at the end of the fiscal year.

L. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the American Institute of Certified Public Accountants (AICPA), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. Comparative Prior Year Financial Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

N. Net Position

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

O. Deferred Outflows/Inflows of Resources

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

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

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

P. Pension Plan

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Local Government of District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to /deductions from the Plans' 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.

Q. Other Post-Employment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined using the alternative measurement valuation method accepted by GASB Statement No. 75 for plans with fewer than 100 participants (active and inactive). For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2025
Measurement Date	June 30, 2025
Measurement Period	July 1, 2024 to June 30, 2025

R. Lease and Subscription-Based Information Technology Arrangements (SBITA) Accounting

A lease or SBITA is defined as a contract that conveys control of the right to use another entity's nonfinancial assets (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, equipment and software. The District's policy is to evaluate leases and SBITAs annually. Any material lease or SBITA, defined as having a net present value greater than one percent (1.0%) of the five-year average of annual total assets, shall be reported in accordance with GASB Statement No. 87 (GASB 87) and GASB Statement No. 96 (GASB 96) as appropriate. As of June 30, 2025, the District did not have any leases or SBITAs meeting this threshold.

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

S. New Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) pronouncements were effective in fiscal year 2024-25:

Governmental Accounting Standards Board Statement No. 101

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for the District's fiscal year ending June 30, 2025. See Note 18 for the restatement associated with implementation.

Governmental Accounting Standards Board Statement No. 102

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures.* The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. A *concentration* is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. The requirements of this statement are effective for the District's fiscal year ending June 30, 2025. This statement did not have a material effect on the financial statements.

NOTE 2 – CASH AND INVESTMENTS

The cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of District debt instruments or District agreements:

Unrestricted cash and investments	$7,309,656
Restricted cash and investments	2,387,153
Cash and Investments, Statement of Net Position	9,696,809
Cash and investments, Statement of Fiduciary Net Position	44,589
Total Cash and Investments	$9,741,398

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

Cash on hand	$100
Deposits with financial institutions	19,627
Investments	9,721,671
Total Cash and Investments	$9,741,398

NOTE 2 – CASH AND INVESTMENTS (Continued)

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

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local Agency InvestmentFund (LAIF)	N/A	None	$75 million
Money Market Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	None

B. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Money Market Funds	N/A	None	None

Fair Value Hierarchy

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Deposits and withdrawals in governmental investment pools, such as the State of California Local Agency Investment Fund (LAIF), are made on the basis of one dollar and not fair value. Accordingly, the fair value of the District's proportionate share in this type of investment is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input. Money Market Accounts are nonparticipating interest-bearing savings accounts. They are measured using a cost-based measure, not fair value, and therefore, not subject to fair value hierarchy.

NOTE 2 – CASH AND INVESTMENTS (Continued)

C. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

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

Investment Type	12 Months or less	13 to 24 months	25 to 36 months	36 months +	Total
Domestic Time Deposits	$949,952	$499,281	$498,589	$741,070	$2,688,892
Treasury Obligations		730,277	700,208	702,898	2,133,383
U.S. Government Agency Securities	800,313	393,009	331,428	1,613,596	3,138,346
Local Agency Investment Fund	30,619				30,619
Money Market Mutual Fund	78,340				78,340
CA Class Investment Pool	1,355,554				1,355,554
Held by Bond Trustee:					
Money Market Mutual Fund	296,537				296,537
Total Investments	$3,511,315	$1,622,567	$1,530,225	$3,057,564	$9,721,671

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Credit ratings utilized are those provided by Standard and Poor's. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Minimum Legal Rating	Total	AA+	A	Not Rated/ Exempt
Domestic Time Deposits	N/A	$2,688,892			$2,688,892
Treasury Obligations	N/A	2,133,383			2,133,383
U.S. Government Agency Securities	N/A	3,138,346	$2,816,375	$321,971	
Local Agency Investment Fund	N/A	30,619			30,619
Money Market Mutual Fund	N/A	78,340			78,340
CA Class Investment Pool	N/A	1,355,554			1,355,554
Held by Bond Trustee:					
Money Market Mutual Fund	N/A	296,537			296,537
Total Investments		$9,721,671	$2,816,375	$321,971	$6,583,325

D. Concentration of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. Only investments with LAIF and the Money Market Funds exceed 5% or more of total District investments. The Money Market Funds are collateralized for the amount over the Federal Deposit Insurance Corporation amount or backed by United States obligations.

NOTE 2 – CASH AND INVESTMENTS (Continued)

E. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2025, $0 of the District's deposits and investments with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

F. Investment in State Investment Pool

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

Restricted cash and investments are identified by use as follows at June 30, 2025:

	Water	Waste Disposal	Total
Debt Service:			
Kelsey North	$104,723		$104,723
Total Debt Service Cash and investments	104,723		104,723
New Facilities:			
Capital Facility Charges	598,822		598,822
Water Development	437,160		437,160
Auburn Lake Trails Retrofit Project	1,030,195		1,030,195
Replacement and Expansion		$216,253	216,253
Total New Facilities Cash and Investments	2,066,177	216,253	2,282,430
Total Restricted Cash Investments	$2,170,900	$216,253	$2,387,153

NOTE 3 – ASSESSMENTS RECEIVABLE

Assessments receivable to the District are construction obligations of the benefited property owners of the Kelsey North and Stewart Mine Water Assessment Districts. El Dorado County collects the special assessments semi-annually in order to pay the related projects' Department of Water Resources or United States Department of Agriculture construction debts as they mature. The assessments receivable balances at June 30, 2025, were as follows:

Fiduciary Assessments Receivable	$41,180
Total Receivables	$41,180

NOTE 4 – CAPITAL ASSETS

Purchased capital assets are recorded at cost when purchased. Donated capital assets are recorded at fair value at the date of donation. Capital assets are depreciated overestimated useful lives ranging from one hundred years (Stumpy Meadows Dam) to three years (small office equipment) using the straight-line method. Capital assets at June 30, 2025, consisted of the following:

	Balance at June 30, 2024	Additions	Adjustments	Transfers	Balance at June 30, 2025
Nondepreciable Capital Assets:					
Land and land right	$769,977				$769,977
Construction in progress	75,021	$65,727		($140,748)	
Total nondepreciable assets	844,998	65,727		(140,748)	769,977
Capital assets, being depreciated:					
General plant equipment and facilities	1,625,156	9,240	$132,766	140,748	1,907,910
Water treatment	18,354,224	7,382	282,327		18,643,933
Transmission and distribution	17,736,275	190,452	(414,696)		17,512,031
Auburn Lake Trails septic facilities	862,066				862,066
Source of supply	7,273,307	2,761	(397)		7,275,671
Total capital assets being depreciated	45,851,028	209,835		140,748	46,201,611
Less Accumulated Depreciation	(20,504,902)	(1,086,385)			(21,591,287)
Net capital assets being depreciated	25,346,126	(876,550)		140,748	24,610,324
Total capital assets, net	$26,191,124	($810,823)			$25,380,301

NOTE 5 – LEASE RECEIVABLE

The District is a lessor for a noncancellable lease of four cell phone communications site locations. The District recognizes a lease receivable and a deferred inflow of resources.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The District recognized a $37,159 in lease revenue.

NOTE 5 – LEASE RECEIVABLE (Continued)

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts as follows:

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

A summary of lease activities for the fiscal year ended June 30, 2025 are as follows:

Lessee	Original Lease Date	Expiration Date Including Options	Monthly revenue as of June 30, 2025	Lease Receivable balance at June 30, 2025	Deferred Inflow of Resources at June 30, 2025
AT&T	8/9/2018	9/1/2042	$1,787	$415,585	$374,729
Cal.net	9/7/2016	9/30/2026	250	3,706	3,637
Comcast	12/1/2010	12/1/2029	1,451	98,929	90,720
PG&E	4/11/2018	7/1/2026	578	14,259	13,145
		Total	$4,066	$532,479	$482,231

Changes in the District's lease receivable during the year consists of the following.

	Balance July 1, 2024	Retirements	Balance June 30, 2025
Leases Receivable			
Cell Site Leases	$569,638	$37,159	$532,479
Total leases receivable	$569,638	$37,159	$532,479

NOTE 6 – LONG-TERM DEBT

Long-term liability activity for the fiscal year ended June 30, 2025, was as follows:

	Balance June 30, 2024	**Retirements**	**Balance June 30, 2025**	**Due within one year**
Long-term debt:				
1989 Kelsey North Water AD 1989-1 Assessments	$100,873	($27,631)	$73,242	$28,565
2007 Walton Water Treatment Plant Filter Replacement	139,757	(21,991)	117,766	22,495
Automated Meter Reading Project	1,232,555	(58,144)	1,174,411	58,841
2020 Auburn Lake Trails Upgrade	7,574,023	(468,037)	7,105,986	475,556
Total long-term debt	$9,047,208	($575,803)	$8,471,405	$585,457

NOTE 6 – LONG-TERM DEBT (Continued)

A. Direct Borrowing Loans Payable

California State Water Resources Control Board (SWRCB) - Three long-term contracts have been entered into with the SWRCB to finance the construction of various water projects:

The Kelsey North Water Assessment District 1989-1 contract of $630,000 is to be repaid by semi-annual payments of $15,398. These payments, due April 1 and October 1, beginning April of 1993 and ending October 1, 2027, include interest on the outstanding note balance at 3.3712%. Payments are made from assessments collected from the Assessment District. The balance of the loan as of June 30, 2025 is $73,242.

The Walton Lake Water Treatment Plant Filter Replacement contract of $400,511 is to be repaid by semi-annual payments of $12,529. These payments, due April 1 and October 1, beginning October 2010 and ending April 1, 2030, include interest on the outstanding note balance at 2.2836%. The balance of these loans as of June 30, 2025 is $117,766.

The Automated Meter Reading (AMR) Project loan is for the replacement of aged mechanical water meters with digital meters. The project was approved for a total expense of up to $1,726,046 is to be repaid by annual payments of $72,934. These payments, due September 1, beginning September 1, 2023 and ending September 1, 2042, include interest on the outstanding note balance at 1.2%. The balance of the loan as of June 30, 2025 is $1,174,411

The Auburn Lake Trails (ALT) construction loan for the Water Treatment Plant Upgrade was approved for a total contract of up to $10,000,000 is to be repaid by semi-annual payments ranging between $200,000 - $300,000. These payments, due January 1 and July 1, beginning July 2020 and ending January 1, 2039, include interest on the outstanding note balance at 1.6%. The balance of the loan as of June 30, 2025 is $7,105,986.

Future Minimum debt service requirements for aggregate notes payable are as follows:

Fiscal Year	Principal	Interest	Total
2026	$585,457	$130,687	$716,144
2027	595,291	120,853	716,144
2028	589,902	110,844	700,746
2029	583,911	99,438	683,349
2030	593,211	92,138	685,349
2031-2035	2,978,940	322,516	3,301,456
2036-2040	2,331,042	89,376	2,420,418
2041-2043	213,651	5,148	218,799
Total	$8,471,405	$971,000	$9,442,405

NOTE 7 – COMPENSATED ABSENCES

District employees accumulate earned but unused vacation benefits which can be converted to cash at termination of employment. It is estimated that up to two weeks per employee might be liquidated with expendable, currently available financial resources in the next year.

Compensated absences activity for the fiscal year ended June 30, 2025, was as follows:

Beginning balance	Water	Wastwater Disposal	Total
as restated	$183,043	$22,295	$205,338
Net change	47,386	(726)	46,660
Ending balance	$230,429	$21,569	$251,998
Current portion	$63,562	$5,950	$69,512

NOTE 8 – CUSTODIAL FUND: SPECIAL ASSESSMENT DEBT

The District acts as a custodian for the Stewart Mine Road Water Assessment District 98-1 Bonds, issued on August 24, 1999. This debt was not included in the District's accounting records because the District had no obligation for the payment of these bonds other than in a fiduciary capacity. The principal amount outstanding at June 30, 2025, and June 30, 2024, was $131,143 and $138,839, respectively.

NOTE 9 – ON-SITE WASTEWATER DISPOSAL ZONE (O.S.W.D.Z.)

During the early part of 1984, it became apparent that a proposed sewer assessment district was not going to be approved and that the assimilation alternative of combining certain lots in the Auburn Lake Trails (A.L.T.) subdivision was a possibility. By letter dated April 24, 1984, Trans America Development Corporation (TADCO) and A.L.T. property owners jointly requested the formation of an on-site wastewater disposal zone which would be monitored by the District. The O.S.W.D.Z. was formed pursuant to the authority granted under Sections 6950 et seq. of the Health and Safety Code of the State of California and became operative by board resolution on March 19, 1985. The effective date for accounting for revenues and expenses was April 1, 1985.

The purpose of the O.S.W.D.Z. is to protect the ground and surface water within the Disposal Zone boundaries in compliance with Regional Water Quality Control Board requirements. The District's responsibility is to design and inspect new on-site disposal systems and to monitor the surface and ground water quality and system performance of existing systems.

The O.S.W.D.Z. assessment revenues charged will be restricted to pay the operating costs of the O.S.W.D.Z. No unrestricted District funds can be used to pay expenses of the O.S.W.D.Z. Effective for the fiscal year ended June 30, 1998, the O.S.W.D.Z. Capital Expenditure Reserve was established. The O.S.W.D.Z. Capital Expenditure Reserve fund has had little activity over the years. The fund was inactivated May 13, 2008.

In addition to the O.S.W.D.Z., the District, by contract, has taken over operation of the Community Disposal System (C.D.S.) of 139 lots within the A.L.T. subdivision. These property owners pay additional assessments for operation and maintenance of the C.D.S. The C.D.S. Expansion Benefit Reserve was established July 1, 2000, and currently receives annual transfers in an effort to achieve the reserve level approved by the District in May 2005.

NOTE 10 – RESTRICTED BENEFIT CHARGES

This non-operating revenue is comprised of various benefit charges and interest earned on the corresponding deposits. The implementation of the Capital Facility Charges beginning on July 1, 2008, replaced the previous treatment plant, pipeline, and storage benefit charges. Pursuant to District ordinance, this revenue is restricted in special accounts which are to be used exclusively as follows:

Water development charge funds: To develop alternate sources of raw water to meet long-term District requirements.

Capital Facility Charge Fund: For maintenance and/or improvements of the treatment plants, pipeline facilities, and storage facilities.

O.S.W.D.Z./C.D.S. replacement and expansion benefit charge funds: For maintenance, improvement, and/or expansion of the community disposal system, as well as facilitating improvements in the O.S.W.D.Z.

NOTE 11 – NET POSITION

Net Position is the excess of all the District's assets and deferred outflows over all its liabilities and deferred inflows, regardless of fund. Net position is divided into three captions under GASB Statement No. 63. These captions apply only to net position, which are determined only at the government-wide level, proprietary funds, and fiduciary funds (trust funds only), and are described below.

Net Investment in Capital Assets

Investment in capital assets describes the portion of net position which is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted Net Position

Restricted net position consists of constraints placed on net position use through external creditors (such as through debt covenants), grants, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. Net position restricted for new facilities represent the net assets accumulated from restricted benefit charges imposed by District ordinances for the maintenance and expansion of facilities. Net position restricted for debt service is required by the debt agreements.

Unrestricted Net Position

The term "unrestricted" describes the portion of net position which is not restricted as to use.

NOTE 11 – NET POSITION (Continued)

The Board has designated portions of the unrestricted net position for specific operating purposes in an effort to provide for the prudent operations of the District.

Stumpy Meadows Emergency Reserve: Requirement of the contract entered into with the Department of Reclamation related to the dam at Stumpy Meadows.

Short-lived Asset Replacement: Requirement of the USDA loan for the Auburn Lake Trails Retrofit for the estimate of funds needed to be on hand to replace the existing assets with replacement life of less than 15 years.

Capital Reserve: To provide for future estimated costs related to the replacement costs of current assets.

EPA: Environmental Protection Agency grant for Auburn Lake Trails Water Treatment Plant Retrofit.

Retiree Health: To provide for the estimated future health insurance benefits of existing retirees and current employees.

Garden Valley: For use in activities specific to the designated area.

Hydroelectric: To provide for the future estimated costs related to activities specific to the hydroelectric plant.

Restricted and unrestricted net position is identified by use as follows as of June 30, 2025:

	Water	Water Disposal	Total
Restricted Net Position:			
New Facilities:			
Water Development	$432,940		$432,940
Capital Facility Charges	1,928,638		1,928,638
C.D.S. Replacement		$42,043	42,043
C.D.S. Expansion		175,181	175,181
Total Restricted Net Position	$2,361,578	$217,224	$2,578,802
Unrestricted Net Position:			
Unrestricted Designated Net Position:			
Stumpy Meadows Emergency Reserve	$1,137,513		$1,137,513
Short-lived Asset Replacement	1,191,948		1,191,948
Capital Reserve	32,807,260		32,807,260
EPA	1,118,428		1,118,428
Retiree Health	(1,717,251)		(1,717,251)
Garden Valley	113,809		113,809
Hydroelectric	1,085,847		1,085,847
Total Unrestricted Designated Net Position	35,737,554		35,737,554
Unrestricted undesignated Net Position	(35,000,361)	$84,389	(35,737,554)
Total Unrestricted Net Position	$737,193	$84,389	$821,582

NOTE 12 – RISK MANAGEMENT

The District 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 District participates in the Association of California Water Agencies Joint Powers Insurance Authority (Authority), a public entity risk pool currently operating as a common risk carrier management and insurance program for member agencies. The purpose of the Authority is to spread the adverse effect of losses among the members and to purchase excess insurance as a group, thereby reducing its expenses. The District pays annual premiums to the Authority for its general liability, automobile, property, fidelity coverage, and workers' compensation. The agreement for formation of the Authority provides that the Authority will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $50,000 (property), $100,000 (fidelity), and $5,000,000 (general, automobile and public official's liability) for each insured event, except for workers compensation which will reinsure for claims in excess of $2,000,000. The deductibles for the Authority is in the range from $1,000 to $2,500. Total premiums paid for fiscal year 2025 were $112,023.

The District continues to carry commercial insurance for employee health and life insurance. The District also carries commercial insurance for dental and optical insurance for the employees represented by Stationary Engineers, Local 39, and all new employees hired after July 11, 2006.

NOTE 13 – DEFINED BENEFIT PENSION PLAN

A. General Information About the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Local Government's Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provision under the Plans are established by State statue and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provision, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost- of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

NOTE 13 – DEFINED BENEFIT PENSION PLAN (Continued)

The Plans' provisions and benefits in effect at the measurement date, are summarized as follows:

	Miscellaneous Tier I
Hire date	Prior to January 1, 2012
Benefit formula	2.7% @ 55
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	50 - 67
Monthly benefits, as a % of eligible compensation	2.00% to 2.70%
Required employee contribution rates	0.00%
Required employer contribution rates	0.00%

	Miscellaneous Tier II
Hire date	Between January 1, 2012 through December 31, 2012
Benefit formula	2.7% @ 55
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	50 - 67
Monthly benefits, as a % of eligible compensation	2.00% to 2.70%
Required employee contribution rates	8.00%
Required employer contribution rates	15.24%

	Miscellaneous Tier III
Hire date	On or after January 1, 2013
Benefit formula	2% @ 62
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	52 - 67
Monthly benefits, as a % of eligible compensation	1.00% to 2.50%
Required employee contribution rates	7.75%
Required employer contribution rates	7.87%

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions

The District's contributions to the Plan for the year ended June 30, 2025 was $690,208.

NOTE 13 – DEFINED BENEFIT PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of June 30, 2025, the District reported a net pension liability of $6,529,587, for its proportionate share of the net pension liability of the Plan.

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

The District's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2024, and the total pension liability of the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability as of June 30, 2025, was follows:

	Miscellaneous
Proportion - June 30, 2023	0.05324%
Proportion - June 30, 2024	0.05384%
Change - Increase (Decrease)	0.00060%

For the year ended June 30, 2025, the District recognized a total pension expense of $929,448 for the plan. At June 30, 2025, the District reported deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$836,606	
Changes of assumption	167,824	
Differences between expected and actual experience	564,543	($22,028)
Adjustment due to differences in proportions		(422,734)
Difference in actual to proportionate share contribution	216,402	
Net differences between projected and actual earnings on plan investments	375,899	
Total	$2,161,274	($444,762)

NOTE 13 – DEFINED BENEFIT PENSION PLAN (Continued)

The $836,606 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 June 30, 2026. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2026	$176,530
2027	831,308
2028	885
2029	(128,817)
Total	$879,906

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2024, the total pension liability was determined by rolling forward the June 30, 2023, total pension liability. The June 30, 2024, total pension liabilities were based on the following actuarial methods and assumptions for all benefit tiers:

	Miscellaneous Tier I, II, and III
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table[1]	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	The lessor of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30%

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 *CalPERS Experience Study and Review of Actuarial Assumptions.* Mortality rates incorporate full generational mortality improvements using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on the table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumption used in the June 30, 2023 valuation were based on the results of the November 2021 actuarial experience study for the period 2001 to 2019. Further details of the Experience Study can be found on the CalPERS website.

NOTE 13 – DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate

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

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

Asset Class (1)	Assumed Asset Allocation	Real Return (1) (2)
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100%	

(1) An expected inflation of 2.30% used for this period.
(2) Figures are based on the 2021 Asset Liability Management Study

NOTE 13 – DEFINED BENEFIT PENSION PLAN (Continued)

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

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

	Discount Rate -1% 5.90%	Current Discount Rate 6.90%	Discount Rate +1% 7.90%
Risk Pool's Net Pension Liability	$9,271,809	$6,529,587	$4,272,333

Pension Plan Fiduciary Net Position

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

NOTE 14 – DESCRIPTION OF DEFERRED COMPENSATION PENSION PLANS

The District has two deferred compensation plans. All amounts of compensation deferred under the plans, all property and rights purchased with these amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the employees and their beneficiaries. No part of the corpus or income of the trust shall revert to employer or be used for or diverted for purposes other than for the exclusive benefit of participants and their beneficiaries.

Only employee contributions were made to the Internal Revenue Code Section 457 deferred compensation plan or the Internal Revenue Code Section 401(a) defined contribution money purchase plan for the fiscal year ended June 30, 2025. The District does not make contributions on behalf of the employees.

The District is the administrator of the plans. The International City Management Association (ICMA) Retirement Corporation holds the funds in a trust and also advises as to legality, files appropriate plan documentation, and reports the quarterly activities to each plan participant.

NOTE 15 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. Plan Description

The District provides certain health insurance benefits to retired employees in accordance with a memorandum of understanding with International Union of Operating Engineers, Stationary Engineers, Local No. 39 (Union) and Ordinance 2006-01.

For employees who retire from the District after at least twenty (20) years of service with the District and who continue health insurance through a District-sponsored health insurance plan until the age of 65, the District will contribute up to $435 per month of the health insurance premium for the retiree and/or the retiree's spouse. At the age of 65, the retiree is required to enroll in Medicare and the District will continue to contribute up to $435 per month to a Medicare supplemental plan of the retiree's or retiree spouse's choice.

NOTE 15 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Effective February 7, 2006, the District extended the benefit described above to all new employees, as well as the employees who are part of the Union. However, the District administers a wide variety of other retirement benefits based on the plans in place when various long-term employees retired and in conjunction with Ordinance 2006-01. The benefits for the few unrepresented and management employees as of April 11, 2006, are dictated by Ordinance 2006-01 as well. None of the previous arrangements are being extended to any new employees of the District.

Employees Covered

As of the June 30, 2025, alternative measurement method valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	26
Inactive employees or beneficiaries currently receiving benefit payments	14
Total	40

Contributions

The plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the District and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the measurement date ended June 30, 2025, the District's cash contributions were $52,919 which were recognized as a reduction to the OPEB Liability.

Total OPEB Liability

The District's Total OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the total OPEB liability was determined by an alternate measurement method valuation dated June 30, 2024, that was used to determine the June 30, 2025, total OPEB liability, based on the following actuarial methods and assumptions:

Effective with the June 30, 2024 valuation date (2025 measurement date) the discount note and investment rate of return charged from 4.21% and 4.81%.

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Contribution Policy	No pre-funding
Discount Rate	4.81%
Inflation	2.75%
Overall payroll growth	2.80%
Wage inflation	2.75%
Healthcare Trend	5.00%

NOTE 15 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Notes:
(1) Pre-retirement mortality information was derived from data collected during 1997 to 2015 CalPERS Experience Study dated December 2017 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website ***www.calpers.ca.gov*** under Forms and Publications.

(2) The pre-retirement turnover information was developed based on CalPERS' specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website ***www.calpers.ca.gov*** under Forms and Publications.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.81%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. The District does not participate in a trust fiduciary fund.

Changes in the OPEB Liability

The changes in the Total OPEB liability for the plan are as follows:

	Increase (Decrease) Total OPEB Liability (a)
	Increase (Decrease) Total OPEB Liability
Balance at 6/30/2024	$2,116,310
Changes Recognized for the Measurement Period:	
Service cost	156,577
Assumption changes	(231,156)
Differences between actual and expected experience	87,983
Benefit payments	(52,919)
Net changes	(39,515)
Balance at 6/30/2025	$2,076,795

NOTE 15 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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

The following presents the total OPEB liability of the District 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 June 30, 2025:

Net OPEB Liability/(Asset)		
Discount Rate -1% (3.81%)	Current Discount Rate (4.81%)	Discount Rate +1% (5.81%)
$2,483,070	$2,076,795	$1,760,339

Expense Related to OPEB

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of $13,404.

NOTE 16 – REVENUE LIMITATION IMPOSED BY CALIFORNIA PROPOSITION 218

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

The proposition also provides for a customer protest process when fees for services benefiting a property are proposed to be increased. The District follows this process when changes are contemplated for water sales and waste disposal zone charges.

NOTE 17 – COMMITMENTS AND CONTINGENCIES

A. Construction Commitments

The District is contingently liable in connection with claims and contracts arising in the normal course of its activities. District management is of the opinion that the ultimate outcome of such matters will not have a significant effect on the financial position of the District.

B. Contingencies

The District has received State and Federal funds for specific purposes that are subject to review and audit by the grantor Agencies. Although such audits could generate expenditure disallowances under the term of the grants, it is believed that any required reimbursements will be immaterial.

In 2010, the District was sued over its' rights to replace a key piece of infrastructure serving the public. Both Trial and Appellate Courts have ruled in the District's favor in this lawsuit; and the California Supreme Court rejected the plaintiff's petition to hear the case. The decision upholds the District's right and obligation to maintain public infrastructure.

NOTE 17 – COMMITMENTS AND CONTINGENCIES (Continued)

Compliance Order #01-09-04CO-002 was issued by the CA Dept. of Public Health on February 23, 2004, which required the District to provide surface water treatment that effectively reduces giardia cysts and viruses by 3 and 4 logs respectively, through filtration and disinfection at its Auburn Lake Trails Water Treatment Plant. Since then, regulations have added the requirement for the ALTWTP to effectively reduce cryptosporidium cysts by 2 logs. This later requirement is considered achieved when treatment requirements for giardia and viruses are being met. As of the date of these financial statements, the District is not in compliance with the Compliance Order. The ramifications of this non-compliance have not been determined but may include possible fines and penalties.

NOTE 18 – RESTATEMENT OF BEGINNING NET POSITION

During the year ended June 30, 2025, the District implemented Government Accounting Standards Board Statement No. 101 (GASB 101) whereby certain employee leave balances were to be accounted for on the basis of what is expected to be used versus what is to be paid out at an employee's termination. The primary impact of GASB 101 is restating the measurement of the Agency's sick leave balance to include the portion of leave that is more likely than not to be used. This resulted in the decreased in beginning net position in the amount of $122,045.

	Water	Wastewater Disposal	Total
Net position beginning balance, as previously stated	$20,079,864	$548,771	$20,628,635
Prior period adjustment GASB 101	(106,149)	(15,896)	(122,045)
Net Position beginning balance, as restated	$19,973,715	$532,875	$20,506,590

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GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Miscellaneous Plan - Cost Sharing Multiple Employer Defined Pension Plan
Last 10 Years

Measurement Date	**2015**	**2016 (1)**	**2017**	**2018 (2)**
Proportion of the Net Pension Liability	0.06977%	0.06244%	0.05959%	0.05929%
Proportionate Share of the Net Pension Liability	$4,788,730	$5,403,038	$5,909,716	$5,712,996
Covered Payroll	$896,800	$1,057,557	$1,190,555	$1,281,439
Proportionate Share of the net pension liability as a percentage of covered payroll	533.98%	510.90%	496.38%	445.83%
Plan's Proportionate Share of Fiduciary Net Position as a Percentage of the Total Pension Liability	78.40%	74.06%	73.31%	75.26%

Measurement Date	**2019**	**2020**	**2021**	**2022 (3)**
Proportion of the Net Pension Liability	0.05736%	0.12229%	0.07737%	0.05573%
Proportionate Share of the Net Pension Liability	$5,877,722	$6,000,118	$4,184,538	$6,437,282
Covered Payroll	$1,501,528	$1,488,996	$1,506,934	$1,680,239
Proportionate Share of the net pension liability as a percentage of covered payroll	391.45%	402.96%	277.69%	383.12%
Plan's Proportionate Share of Fiduciary Net Position as a Percentage of the Total Pension Liability	75.26%	75.10%	90.49%	78.19%

Measurement Date	**2023**	**2024**
Proportion of the Net Pension Liability	0.05324%	0.05384%
Proportionate Share of the Net Pension Liability	$6,641,505	$6,259,587
Covered Payroll	$1,928,967	$1,988,241
Proportionate Share of the net pension liability as a percentage of covered payroll	344.30%	314.83%
Plan's Proportionate Share of Fiduciary Net Position as a Percentage of the Total Pension Liability	77.97%	79.91%

(1) Discount rate changed from 7.5 percent to 7.65 percent.
(2) Discount rate changed from 7.65 percent to 7.15 percent.
(3) Discount rate changed from 7.15 percent to 6.90 percent.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
SCHEDULE OF CONTRIBUTIONS
Miscellaneous Plan - Cost Sharing Multiple Employer Defined Pension Plan
Last 10 Years

Fiscal Year Ended June 30	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Actuarially determined contribution	$484,729	$532,748	$574,408	$645,301	$690,964	$618,175	$666,368	$686,064	$690,208	$836,606
Contributions in relation to the actuarially determined contributions	(484,729)	(532,748)	(574,408)	(645,301)	(690,964)	(618,175)	(666,368)	(686,064)	(690,208)	(836,606)
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Covered payroll	$1,057,557	$1,190,555	$1,281,439	$1,501,528	$1,488,996	$1,506,934	$1,680,239	$1,928,967	$1,988,241	$2,131,530
Contributions as a percentage of covered payroll	45.83%	44.75%	44.83%	42.98%	46.40%	41.02%	39.66%	35.57%	34.71%	39.25%
Notes to Schedule:										
Valuation date:	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Investment rate of return	6.90%
Mortality	Derived using CalPERS Membership Data
Post Retirement Benefit Increase	Leesor of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
For the measurement year ending June 30
Last 10 fiscal years*

Measurement Date - June 30,	**2018**	**2019**	**2020**	**2021**	**2022**
Total OPEB Liability					
Service Cost	$19,623	$20,960	$16,297	$21,653	$22,500
Interest on total OPEB liability	33,857	139,866	103,453	112,086	344,401
Benefit payments	(76,948)	(102,248)	(86,643)	(87,181)	(212,534)
Net change in total OPEB liability	(23,468)	58,578	33,107	46,558	154,367
Total OPEB liability - beginning	1,325,779	1,302,311	1,360,889	1,393,996	1,440,554
Total OPEB liability - ending	$1,302,311	$1,360,889	$1,393,996	$1,440,554	$1,594,921
Total OPEB liability	$1,302,311	$1,360,889	$1,393,996	$1,440,554	$1,594,921
Covered-employee payroll	$1,390,335	$1,468,293	$1,364,272	$1,474,325	$1,928,410
Total OPEB liability as a percentage of covered-employee payroll	93.67%	92.69%	102.18%	97.71%	82.71%

Measurement Date - June 30,	**2023**	**2024**	**2025**
Total OPEB Liability			
Service Cost	$18,722	$67,322	$156,577
Interest on total OPEB liability	(220,257)	88,841	
Difference between actual and expected experience		($37,675)	87,983
Assumption		$718,878	(231,156)
Benefit payments	(59,359)	(55,083)	(52,919)
Net change in total OPEB liability	(260,894)	782,283	(39,515)
Total OPEB liability - beginning	1,594,921	1,334,027	2,116,310
Total OPEB liability - ending	$1,334,027	$2,116,310	$2,076,795
Total OPEB liability	$1,334,027	$2,116,310	$2,076,795
Covered-employee payroll	$1,834,498	$2,115,333	$2,098,215
Total OPEB liability as a percentage of covered-employee payroll	72.72%	100.05%	98.98%

Note to Schedule: * Fiscal year 2018 was the first year of implementation.

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

To the Board of Directors of the
Georgetown Divide Public Utility District
Georgetown, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of Georgetown Divide Public Utility District (District), California, as of and for the year ended June 30, 2025, and have issued our report thereon dated February 5, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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We have also issued a separate Memorandum on Internal Control dated February 5, 2026, which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

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

Maze + Associates

Pleasant Hill, California
February 5, 2026