

**TRUCKEE DONNER
PUBLIC UTILITY DISTRICT**

CONSOLIDATED FINANCIAL STATEMENTS

Including Report of Independent Auditors

December 31, 2021 and 2020

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Report of Independent Auditors

The Board of Directors
Truckee Donner Public Utility District

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Truckee Donner Public Utility District (the "District"), which comprise the consolidated statements of net position as of December 31, 2021 and 2020, and the related consolidated statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the District as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements that collectively comprise the District's consolidated financial statements. The accompanying consolidating statements of net position, and the related consolidating statements of revenues, expenses and changes in net position and cash flows as of and for the year ended December 31, 2021 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements (collectively, the supplementary information). The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.. In our opinion, the supplementary information, as described above, is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements that collectively comprise the District's financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Portland, Oregon

May 10, 2022

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021 and 2020

As financial management of the Truckee Donner Public Utility District (the District), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the District for the years ended December 31, 2021 and 2020, with additional comparative data for 2019. This discussion and analysis is designed to assist the reader in focusing on the significant financial topics, provide an overview of the District's financial activity and identify changes in the District's financial position.

We encourage readers to consider the information presented here in conjunction with that presented within the basic financial statements. The reader should take time to read and evaluate all sections of this report, including the footnotes and other supplementary information that is provided, in addition to this management discussion and analysis.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements of the District are designed to provide readers with a broad overview of the District's finances similar to a private-sector business. They have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Under this basis of accounting, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred, regardless of the timing of related cash flows. These statements offer short-term and long-term financial information about the District's activities. The reporting entity consists of the primary government, which provides two utilities (electric utility and water utility), and the blended component units of two Community Facilities Districts. Further details about the component units are provided in note 1(A) to the financial statements.

The basic financial statements, presented on a comparative format for the years ended December 31, 2021 and 2020, consist of:

- **Consolidated Statement of Net Position:** This statement presents information on all of the District's assets, deferred outflows of resources and liabilities, and deferred inflows of resources and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. This amounts are as of a point in time, the Districts year ending December 31.
- **Consolidated Statements of Revenues, Expenses, and Changes in Net Position:** This statement provides the revenues and expenses for each of the presented years. The statement provides a measurement of the District's operations over the presented years and can be used to determine whether the District has successfully recovered all its costs through its rates and other charges.
- **Consolidated Statement of Cash Flows:** This statement provides relevant information about the District's cash receipts and cash payments during the reporting period. This statement reports cash receipts and cash payments resulting from operating, non-capital financing, capital and related financing, and investing activities. When used with related disclosures and information in the other financial statements, the statement of cash flows is an important indicator of the District's liquidity and financial condition.
- **Notes to the Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. This includes but is not limited to, significant accounting policies, significant financial statement balances and activities, material risks, commitments and obligations, and subsequent events, as applicable.

The financial statements report also contains other supplementary information, the independent auditor's opinion letter, and this Management Discussion and Analysis.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021 and 2020

CONDENSED COMPARATIVE FINANCIAL INFORMATION

Provided below is select condensed financial statements for December 31, 2021, 2020, and 2019.

CONSOLIDATED STATEMENT OF NET POSITION

	2021	2020	2019	Increase (Decrease) 2021 - 2020
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Current assets	\$ 45,896,504	\$ 54,424,068	\$ 50,107,675	\$ (8,527,564)
Non-current assets:				
Capital assets, net	132,882,996	132,031,519	133,812,252	851,477
Operating investments	3,966,836	-	-	3,966,836
Designated investments	5,848,933	-	-	5,848,933
Restricted investments	-	1,674,293	1,730,450	(1,674,293)
Other long-term assets	124,461	186,693	248,925	(62,232)
Total Assets	<u>188,719,730</u>	<u>188,316,573</u>	<u>185,899,302</u>	<u>403,157</u>
Deferred outflows of resources	5,655,327	6,255,727	3,529,595	(600,400)
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 194,375,057</u>	<u>\$ 194,572,300</u>	<u>\$ 189,428,897</u>	<u>\$ (197,243)</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
Current liabilities	\$ 8,931,512	\$ 9,822,138	\$ 9,852,426	\$ (890,626)
Non-current Liabilities				
Long-term debt, net of current portion	44,261,709	50,401,520	54,997,965	(6,139,811)
Net pension liability	7,683,937	14,023,172	12,872,646	(6,339,235)
OPEB liability	5,273,457	5,975,587	4,328,352	(702,130)
Unearned revenues	5,583,404	6,845,107	6,252,705	(1,261,703)
Total Liabilities	<u>71,734,019</u>	<u>87,067,524</u>	<u>88,304,094</u>	<u>(15,333,505)</u>
Deferred inflows of resources	7,827,416	868,870	849,728	6,958,546
NET POSITION				
Net investment in capital assets	86,889,607	79,111,738	77,373,032	7,777,869
Restricted	7,248,976	11,439,913	11,052,666	(4,190,937)
Unrestricted	20,675,039	16,084,255	11,849,377	4,590,784
Total Net Position	<u>114,813,622</u>	<u>106,635,906</u>	<u>100,275,075</u>	<u>8,177,716</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 194,375,057</u>	<u>\$ 194,572,300</u>	<u>\$ 189,428,897</u>	<u>\$ (197,243)</u>

CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2021	2020	2019	Increase (Decrease) 2021 - 2020
Sales to consumers	\$ 41,835,534	\$ 38,988,024	\$ 37,029,653	\$ 2,847,510
Other operating revenues	1,664,933	2,754,003	2,303,918	(1,089,070)
Total Operating Revenues	43,500,467	41,742,027	39,333,571	1,758,440
Operating expenses	42,565,285	38,847,181	36,383,962	3,718,104
Operating Income	935,182	2,894,846	2,949,609	(1,959,664)
Non-operating special tax revenues	3,431,174	3,375,327	3,352,289	55,847
Non-operating interest expense	(2,369,633)	(2,530,616)	(2,647,817)	160,983
Non-operating other revenues	131,863	854,319	1,100,426	(722,456)
Non-operating other expenses	(302,544)	(276,840)	(76,410)	(25,704)
Income before capital contributions	1,826,042	4,317,036	4,678,097	(2,490,994)
Capital contributions, net	6,351,674	2,043,795	4,683,099	4,307,879
Change in net position	8,177,716	6,360,831	9,361,196	1,816,885
Net Position, Beginning of Year	106,635,906	100,275,075	90,913,879	6,360,831
NET POSITION, END OF YEAR	<u>\$ 114,813,622</u>	<u>\$ 106,635,906</u>	<u>\$ 100,275,075</u>	<u>\$ 8,177,716</u>

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021 and 2020

ANALYSIS OF OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

2021 as compared to 2020:

The District's overall financial position improved in 2021 by \$8.2 million or 7.7% as measured by total net position. In 2021, the total net position increased \$0.9 million from operating activities, \$0.9 million from non-operating activities, and \$6.4 million from capital, debt and monetary contribution activities.

Operating income in 2021 of \$0.9 million decreased \$2.0 million or 68% compared to \$2.9 million in 2020. The components of operating income summarize as follows.

Total operating revenues in 2021 of \$43.5 million were \$1.7 million or 4.2% greater than 2020, driven primarily by electric and water average rate increases for 2021 of 2.8% and 8.9%, respectively.

Total operating expenses in 2021 of \$42.6 million were \$3.7 million or 9.6% greater than 2020, with the increase primarily driven by purchased power costs increase of \$2.3 million (demand and cost factors) and electric infrastructure storm damage and related power restoration increase of \$1.5 million (severe storm in December 2021).

Non-operating revenues and expenses, net revenues in 2021 of \$0.9 million were \$0.5 million or 37% below 2020 due primarily to the decline in investment income. Capital and other contributions of \$6.3 million was up 211% compared to 2020, driven by construction activity and related projects contributions to the District.

The resulting change in Total Net Position in 2021 of \$8.2 million was \$1.8 million or 29% higher than the change in 2020. Year-end 2021 current assets of \$30.3 million decreased \$8.8 million or 23% primarily due to \$10.0 million of cash funds invested in non-current investments. Year-end 2021 total assets increased 0.2%. Year-end 2021 total liabilities of \$71.7 million decreased \$15.3 million or 18% primarily driven by a \$6.1 million decrease in long-term debt (discussed further below) and a \$6.3 million decrease in net pension liability (driven by plan assets return on investments; deferred inflows increased \$6.6 million).

2020 as compared to 2019:

The District's overall financial position improved in 2020 by \$6.4 million or 6.3% as measured by total net position. In 2020, the total net position increased \$2.9 million from operating activities, \$1.4 million from non-operating activities, and \$2.1 million from capital, debt and monetary contribution activities.

Operating income in 2020 of \$2.9 million decreased \$0.1 million or 2% compared to \$3.0 million in 2019. The components of operating income summarize as follows.

Total operating revenues in 2020 of \$41.7 million were \$2.4 million or 6.1% greater than 2019, driven primarily by electric and water average rate increases for 2021 of 3% and 9%, respectively.

Total operating expenses in 2020 of \$38.8 million were \$2.5 million or 6.8% greater than 2019, with the increase primarily driven by increased wildfire mitigation efforts cost of \$0.8 million, purchased power costs increase of \$0.5 million, and an increase in labor costs charged to operations not capital of \$0.7 million.

Non-operating revenues and expenses, net revenues in 2020 of \$1.4 million were \$0.3 million or 18% below 2019 due primarily to the decline in investment income. Capital and other contributions in 2020 of \$2.0 million were down 56% to 2019, driven by construction activity and related projects contributions to the District.

The resulting Change in Net Position in 2020 of \$6.4 million was \$3.0 million or 32% lower than the change in 2019.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021 and 2020

ANALYSIS OF ELECTRIC UTILITY

Electric total net position as of December 31, 2021 was \$76.2 million and increased \$4.1 million or 6% compared to December 31, 2020. Electric's total net position decreased \$0.2 million from operating activities, decreased \$0.2 million from non-operating activities, and increased \$4.5 million from capital, debt and monetary contribution. Key components of this \$4.1 million change in total net position are as follows.

Electric operating income of (\$0.2) million decreased \$3.7 million or 106% compared to \$3.5 million in 2020. The components of operating income summarize as follows.

Electric operating revenues of \$29.9 million increased \$0.4 million or 1.4% in 2021 compared to 2020. Electric's sales to customers increased 5.6% to 2020; comprised of a 2.9% average rate increase, 1.7% customer growth, and 1.0% demand growth. Other Electric operating revenues were down 25% due primarily to decline in cap and trade prices.

Electric operating expenses of \$30.1 million compared to 2020 reflect an increase of \$4.1 million or 15.7% driven primarily by increased purchased power costs of \$2.3m or 9% and electric infrastructure storm damage and related power system restoration of \$1.5m or 6%.

Electric non-operating revenues (expenses) net of (\$0.2) million decreased \$0.5 million or 152% compared to \$0.3 million in 2020. The decrease is driven principally by investment income decrease of \$0.5 million due to market investment interest rate declines in 2021 compared to 2020.

Electric contributions of \$4.5 million increased \$3.4 million or 316% compared to \$1.1 million in 2020. The increase is driven by construction activity and related project's contributions to the District.

Electric has no significant restrictions, commitments, or other limitations that would affect the availability of resources for future use; other than the \$1.1 million restricted for debt service.

ANALYSIS OF WATER UTILITY

Water total net position as of December 31, 2021 was \$65.9 million and increased \$2.5 million or 4% compared to December 31, 2020. Water's total net position increased \$1.1 million from operating activities, decreased \$0.5 million from non-operating activities, and increased \$1.9 million from capital, debt and monetary contributions. Key components of this \$2.5 million change in total net position are as follows.

Water operating income of \$1.1 million increased \$1.7 million or 306% compared to (\$0.6) million in 2020. The components of operating income summarize as follows.

Water operating revenues in 2021 of \$15.4 million increased \$1.4 million or 10% compared to 2020. Water's sales to customers increased 10% to 2020; comprised of an 8.9% average rate increase and 1.1% customer growth. Water gallons billed in 2021 decreased 0.7% compared to 2020, with nominal impact on revenues. Other water operating revenues were flat year to year.

Water operating expenses in 2021 of \$14.3 million decreased of \$0.3 million or 2% driven primarily by personnel position vacancies.

Water non-operating revenues (expenses) net of (\$0.5) million decreased \$0.3 million or 225% compared to (\$0.2) million in 2020. The change is comprised of a decrease in investment income of \$0.2 million due to market investment interest rate declines, asset disposal gains decrease of \$0.2 million, and a \$0.1 million decrease in interest expense.

Water contributions of \$1.9 million increased \$0.9 million or 95% compared to \$1.0 million in 2020. The increase is driven principally by investment income decrease of \$0.5 million due to market investment interest rate declines in 2021 compared to 2020.

Water has no significant restrictions, commitments, or other limitations that would affect the availability of resources for future use; other than \$3.4 million restricted for debt service.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021 and 2020

CAPITAL ASSETS

As of December 31, 2021, 2020, and 2019, the District had \$132.9 million, \$132.0 million, and \$133.8 million, respectively, invested in a variety of capital assets, net of accumulated depreciation.

The District's capital assets, net of accumulated depreciation, increased \$0.9 million or 0.6% in 2021. In 2021, depreciation expense of \$7.9 million outpaced capital expenditures of \$6.4 million, with the year more heavily focused on capital planning for major projects in 2022 and thereafter, in accordance with the approved 10-year capital improvement plans for both electric and water utilities. In 2020, depreciation expense of \$8.0 million outpaced capital expenditures of \$6.3 million, with the year more heavily focused on pandemic operations and capital planning.

Electric utility capital expenditures in 2021 of \$3.7 million included \$1.1 million for Truckee substation modernization rebuild, \$0.7 million in pole replacements, \$0.7 million in vehicle replacements, \$0.7 million in distribution system modernization replacements, and \$0.5 million in various other projects. Electric utility capital expenditures in 2020 of \$3.8 million included distribution system modernization replacements, Truckee substation modernization rebuild, and various other projects. Electric depreciation expense in 2021 of \$3.4 million increased \$0.4 million or 12% compared to 2020.

Water utility capital expenditures in 2021 of \$2.6 million included \$1.2 million of pipeline replacement, \$0.7 million in wells, tanks and pump station improvements, \$0.6 million in SCADA upgrades, and \$0.1 million in various other projects. Water utility capital expenditures in 2020 of \$2.5 million include pipeline replacement, wells, tanks and pump station improvements, SCADA upgrades, and various other projects. Water depreciation expense in 2021 of \$4.5 million decreased \$0.4 million or 8% compared to 2020.

See Note 4 to the Financial Statements for further information regarding capital assets.

LONG-TERM DEBT

Long-term debt includes revenue bonds and installment loans. At December 31, 2021, 2020, and 2019, the District had \$47.0 million, \$55.0 million, and \$59.5 million, respectively, in long-term debt outstanding. In 2021, the District retired early \$3.4 million in water debt, saving the District \$0.2 million in future interest costs. See Note 8 to the Financial Statements for further information regarding this transaction. No new debt was issued in 2021, 2020 or 2019. See Note 5 to the Financial Statements for further information regarding long-term debt.

ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES

The District operates on a biennial budget cycle. The FY22 & FY23 Board approved budget includes an assumption for customer growth 0.5% per year, conservatively below recent 1% average for the District. Revenue projections for fiscal year 2022 and 2023 include average rate increases for Electric of 8.5% and 6.5% respectively and for Water 9% and 8% respectively. For 2021, approved average rate increases are consistent with budget. Rates by rate class can be found on the District's website at www.tdpud.org. Expenditures for Electric and Water excluding debt service, for Budget year 2022 increased over Budget year 2021 by 12% and 14%, respectively; in part due to estimated inflation impacts. Overall, the pandemic's impact financially on the District has not been material, with certain cost increases and an increase in unpaid billings, more than offset by an increase in energy demands due to increased occupancies.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide readers with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Truckee Donner Public Utility District, Attn: Treasurer
11570 Donner Pass Road, Truckee, CA 96161

FINANCIAL STATEMENTS

TRUCKEE DONNER PUBLIC UTILITY DISTRICT
CONSOLIDATED STATEMENTS OF NET POSITION
December 31, 2021 and 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents		
Operating	\$ 7,557,344	\$ 14,989,131
Designated	15,943,781	14,498,107
Restricted	6,808,321	9,659,770
Total cash and cash equivalents	<u>30,309,446</u>	<u>39,147,008</u>
Accounts receivable, net	2,311,007	2,269,108
Unbilled revenues	3,471,176	3,111,640
Special assessments receivable	7,742,235	8,130,250
Accrued interest receivable	29,064	60,620
Materials and supplies	1,005,433	906,547
Prepaid expenses	892,054	671,824
Other	136,089	127,071
Total Current Assets	<u>45,896,504</u>	<u>54,424,068</u>
NON-CURRENT ASSETS		
Operating investments	3,966,836	-0-
Designated investments	5,848,933	-0-
Restricted investment fund	-0-	1,674,293
Broadband maintenance prepaid	124,461	186,693
Capital Assets		
Utility plant	219,900,995	212,694,105
Accumulated depreciation	(92,750,899)	(85,247,297)
Construction work in progress	5,732,900	4,584,711
Total Capital Assets	<u>132,882,996</u>	<u>132,031,519</u>
Total Non-Current Assets	<u>142,823,226</u>	<u>133,892,505</u>
TOTAL ASSETS	<u>188,719,730</u>	<u>188,316,573</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	2,699,378	2,914,246
OPEB	2,496,749	2,822,218
Unamortized loss on refunding	445,570	478,372
Unamortized redemption premium on refunding	13,630	40,891
Total Deferred Outflows of Resources	<u>5,655,327</u>	<u>6,255,727</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 194,375,057</u>	<u>\$ 194,572,300</u>

The accompanying notes are an integral part of these consolidated financial statements.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT
CONSOLIDATED STATEMENTS OF NET POSITION
December 31, 2021 and 2020

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (Continued)	2021	2020
CURRENT LIABILITIES		
Other Liabilities		
Accounts payable	\$ 3,659,615	\$ 2,880,841
Customer deposits	318,905	440,865
Other	1,570,523	1,183,100
Total Other Liabilities	5,549,043	4,504,806
Current Liabilities Payable From Restricted Assets		
Current portion of long-term debt	2,716,250	4,574,633
Accrued interest payable	666,219	742,699
Total Current Liabilities Payable from Restricted Assets	3,382,469	5,317,332
Total Current Liabilities	8,931,512	9,822,138
 NON-CURRENT LIABILITIES		
Long-term debt, net of discounts and premiums	44,261,709	50,401,520
Net pension liability	7,683,937	14,023,172
Net OPEB liability	5,273,457	5,975,587
Unearned revenues	5,583,404	6,845,107
Total Non-Current Liabilities	62,802,507	77,245,386
 Total Liabilities	71,734,019	87,067,524
 DEFERRED INFLOWS OF RESOURCES		
Pension	7,196,801	537,295
OPEB	630,615	331,575
Total Deferred Inflows of Resources	7,827,416	868,870
 NET POSITION		
Net investment in capital assets	86,889,607	79,111,738
Restricted	7,248,976	11,439,913
Unrestricted	20,675,039	16,084,255
Total Net Position	114,813,622	106,635,906
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 194,375,057	\$ 194,572,300

The accompanying notes are an integral part of these consolidated financial statements.

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TRUCKEE DONNER PUBLIC UTILITY DISTRICT

CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

December 31, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Sales to customers	\$ 41,835,534	\$ 38,988,024
Standby fees	124,130	133,470
Cap and trade proceeds	847,185	1,444,498
Other	693,618	1,176,035
Total Operating Revenues	43,500,467	41,742,027
OPERATING EXPENSES		
Purchased power	13,560,417	11,285,537
Operations and maintenance	12,464,186	11,340,451
Consumer services	2,255,853	2,080,714
Administration and general	6,366,879	6,165,611
Depreciation	7,917,950	7,974,868
Total Operating Expenses	42,565,285	38,847,181
Operating Income	935,182	2,894,846
NON-OPERATING REVENUE (EXPENSES)		
Special tax revenue	3,431,174	3,375,327
Investment income (loss)	(185,269)	573,668
Interest expense	(2,369,633)	(2,530,616)
Amortization	(38,250)	(38,250)
Other non-operating revenues	83,524	41,766
Other non-operating expenses	(79,025)	(238,590)
Gain on disposition of assets	48,339	238,885
Total Non-Operating Revenue (Expenses)	890,860	1,422,190
Income Before Contributions	1,826,042	4,317,036
CAPITAL & OTHER CONTRIBUTIONS	6,351,674	2,043,795
CHANGE IN NET POSITION	8,177,716	6,360,831
Net Position - Beginning of Year	106,635,906	100,275,075
NET POSITION - END OF YEAR	\$ 114,813,622	\$ 106,635,906

The accompanying notes are an integral part of these consolidated financial statements.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

CONSOLIDATED STATEMENTS OF CASH FLOWS

December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers	\$ 42,977,071	\$ 41,002,317
Paid to suppliers for goods and services	(24,523,068)	(22,164,412)
Paid to employees for services	(8,391,748)	(8,367,200)
Net Cash Flows from Operating Activities	10,062,255	10,470,705
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Principal payments on long-term debt	(1,051,191)	(1,000,803)
Interest payments on long-term debt	(32,555)	(57,094)
Net Cash Flows from Noncapital Financing Activities	(1,083,746)	(1,057,897)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital expenditures for utility plant	(6,367,297)	(6,308,208)
Cost of disposal of property net of salvage	(176,588)	48,537
Capital contributions, connection and facility fees	2,158,390	2,480,190
Special assessments receipts	773,116	778,982
Special tax receipts	3,139,260	3,117,313
Restricted Grant Funds Received	300,000	-
Principal payments on long-term debt	(6,952,207)	(3,534,645)
Interest payments on long-term debt	(2,386,538)	(2,485,807)
Cash Flows From Capital and Related Financing Activities	(9,511,864)	(5,903,638)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(10,014,679)	-
Proceeds from maturity of investments	1,698,882	-
Interest income received	215,119	565,848
Cash Flows from Investing Activities	(8,100,678)	565,848
Net Change in Cash and Cash Equivalents	(8,634,033)	4,075,018
CASH AND CASH EQUIVALENTS – Beginning of Year	38,983,488	34,908,470
CASH AND CASH EQUIVALENTS – END OF YEAR	\$ 30,349,455	\$ 38,983,488
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Developer and customer added capital assets	\$ 2,610,655	\$ 150,874
Recognition of prior period unearned revenues	\$ 6,081,722	\$ 3,447,723

The accompanying notes are an integral part of these consolidated financial statements.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

CONSOLIDATED STATEMENTS OF CASH FLOWS

December 31, 2021 and 2020

(continued)

	2021	2020
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$ 935,182	\$ 2,894,846
Noncash items included in operating income		
Depreciation and amortization	7,917,950	7,974,868
Depreciation charged to other accounts	433,451	455,294
Changes in assets and liabilities		
Accounts receivable and unbilled revenues	(401,434)	(725,616)
Materials and supplies	(98,885)	(170,003)
Prepaid expenses	(220,230)	(28,585)
Accounts payable	711,009	(196,892)
Customer deposits	(121,961)	(14,094)
Deferred Pension Contributions - GASB 68	457,518	30,709
Other current liabilities	449,655	250,178
	<u>\$ 10,062,255</u>	<u>\$ 10,470,705</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES		
	<u>\$ 10,062,255</u>	<u>\$ 10,470,705</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET		
Operating cash funds - current	\$ 7,557,344	\$ 14,989,131
Designated cash funds - current	15,943,781	14,498,107
Restricted cash funds - current	6,808,321	9,659,770
Operating investments - non-current	3,966,836	0
Designated investments - non-current	5,848,933	0
Restricted investment fund - non-current	-	1,674,293
Total Cash and Investments	40,125,215	40,821,301
Less: Long-term investments	(10,014,679)	(1,698,880)
Mark to market adjustments	238,919	(138,933)
	<u>\$ 30,349,455</u>	<u>\$ 38,983,488</u>
TOTAL CASH AND CASH EQUIVALENTS		
	<u>\$ 30,349,455</u>	<u>\$ 38,983,488</u>

The accompanying notes are an integral part of these consolidated financial statements.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

The Truckee Donner Public Utility District (the District) was formed and operates under the State of California Public Utility District Act. The District is governed by a board of directors which consists of five elected members. The District provides electric and water service to portions of Nevada and Placer Counties described as Truckee. The electric and water service operations are separately maintained and operated. These financial statements reflect the combined electric and water operations of the District. All significant transactions between electric and water operations have been eliminated. These eliminations include power purchases and rent for shared facilities.

The District's blended component units consist of organizations whose respective governing boards are comprised entirely of the members of the District's Board of Directors. These organizations are reported as if they are a part of the District's operations. The entities are legally separate, however, in the case of the Truckee Donner Public Utility District Financing Corporation, financial support has been pledged and financial and operational policies may be significantly influenced by the District. The following is a description of the District's blended component units:

Truckee Donner Public Utility District Financing Corporation is a legal entity that was created to issue and administer Certificates of Participation on behalf of the District. (See note 5).

Truckee Donner Public Utility District Community Facilities District No. 03-1 (Old Greenwood) is a legal entity created to issue special tax bonds to finance various public improvements needed to develop property located within Old Greenwood. (See note 7).

Truckee Donner Public Utility District Community Facilities District No. 04-1 (Gray's Crossing) is a legal entity created to issue special tax bonds to finance various public improvements needed to develop property located within Gray's Crossing. (See note 7).

Separate standalone financial statements are not available for the blended component units described above. Unless noted, disclosures relating to the component units are the same as for the District.

B. ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities, that are a result of exchange and exchange like transactions, are recognized when the exchange takes place.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

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

C. USE OF ESTIMATES

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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.

D. CASH AND CASH EQUIVALENTS

For the purpose of the accompanying statement of cash flows, the District considers all highly liquid instruments with original maturities of three months or less when purchased to be cash equivalents.

E. INVESTMENTS

The District pools cash and investments. The District's investment policy allows for investments in instruments permitted by the California Government Code and/or the investments permitted by the trust agreements on District financing. The District's investment policy contains provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk. Investment income from pooled investments is allocated to all funds in the pool. Interest is allocated on the basis of month end cash amounts for each fund as a percentage of the total balance.

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

Changes in fair value that occur during a fiscal year are recognized as investment income (loss) reported for that fiscal year. Investment Income (loss) includes interest earnings, changes in fair value, and any realized gains or losses upon the sale of investments.

F. DESIGNATED ASSETS

The board has designated certain resources for future capital projects, replacements, and operational needs.

G. RESTRICTED ASSETS

Restricted assets are assets restricted by the covenants of long-term financial arrangements or other third party legal restrictions. Restricted assets are used in accordance with their requirements and where both restricted and unrestricted resources are available for use, restricted resources are used first and then unrestricted as they are needed.

H. ACCOUNTS RECEIVABLE AND ALLOWANCES FOR DOUBTFUL ACCOUNTS

Accounts receivable are recorded at the invoiced amount and are reported net of allowances for doubtful accounts of \$67,800 and \$41,200 for 2021 and 2020, respectively. Receivables are considered past due after 30 days and routine collection efforts begin, while remaining consistent with regulatory mandates. District Code allows for the Treasurer to write off delinquent account balances up to 0.17% of the amounts billed. This write off process occurs semi-annually.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

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

I. MATERIALS AND SUPPLIES

Materials and supplies are recorded at average cost.

J. DEBT PREMIUM, BOND ISSUANCE COSTS, AND DISCOUNTS

Original issue and reacquired bond premiums and discounts relating to revenue bonds are amortized over the terms of the respective bond issues using the effective interest method. Debt issuance costs are expensed in the period incurred.

K. SPECIAL ASSESSMENT RECEIVABLE

Special assessment receivable represents special tax receivables related to community facilities districts (see notes 1T and note 7) and amounts due from property owners within the Donner Lake Assessment District for improvements made by the District pursuant to an agreement with the property owners to improve their water quality as discussed in note 8.

L. AMORTIZED EXPENSES

In 2003, the District entered into a broadband dark fiber maintenance agreement with Sierra Pacific Communications (SPC) which is included in the line item "Broadband Maintenance Prepaid" in the accompanying Statement of Net Position. SPC subsequently assigned the agreement to AT&T. The agreement is expected to provide benefit to the District over the estimated 20-year life of the agreement. (See note 3).

M. CAPITAL ASSETS

Capital assets are generally defined by the District as assets with an initial, individual cost of more than \$10,000 and an estimated useful life of at least two years.

Capital assets of the District are stated at the lower of cost or the acquisition value at the time of contribution to the District. Major outlays for plant are capitalized as projects are constructed. Depreciation on capital assets is calculated using the straight-line method over the estimated useful lives of the assets, which are as follows:

Distribution Plant	
Electric	23 – 35 years
Water	15 – 40 years
Computer software and hardware	3 – 7 years
Building and improvements	20 – 33 years
Equipment and furniture	4 – 10 years

N. COMPENSATED ABSENCES

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. Vested vacation and sick leave pay is accrued when earned in the financial statements. The liability is liquidated from general operating revenues of the utility.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

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

O. REVENUE RECOGNITION

Unbilled revenues, representing estimated consumer usage for the period between the last meter reading and the end of the period, are accrued in the period of consumption. Water customers without meters are billed on a flat-rate basis, and revenues are recorded as billed. Revenues from connection fees are recognized upon completion of the connection. Income that the District has earned through investing its excess cash is reflected within income from investments when earned.

P. REVENUE AND EXPENSE CLASSIFICATION

The District distinguishes operating revenues and expenses from non-operating items in the preparation of its financial statements. Operating revenues and expenses generally result from providing electric and water services in connection with the District's principal ongoing operations. The principal operating revenues are sales to customers. The District's operating expenses include power purchases, labor, materials, services, and other expenses related to the delivery of electric and water services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses, or capital contributions and other.

Q. POWER PURCHASES AND TRANSMISSION

In 1999, the District entered into an agreement with Sierra Pacific Power Company dba NV Energy (SPPC), whereby SPPC will provide transmission services to the District through December 31, 2027. The District uses this transmission service to import energy over SPPC's transmission system to serve District load. In addition, the District purchases scheduling services from Utah Municipal Power Systems (UAMPS) and the scheduling services are included in the monthly power billings from UAMPS. The purchase of transmission services from SPPC represented 9.0% and 8.7% of total purchased power costs in 2021 and 2020, respectively.

In December of 2005, the District entered into an agreement with UAMPS. Subsequently, the District entered into several pooling appendices for power capacity and energy that relate to various time periods from January 2008 through March 2028. Also in 2009, the District signed an agreement with UAMPS for approximately 5 MW of the Nebo natural gas generation plant capacity. In August 2012, the Horse Butte Wind project began commercial operation and the District owns approximately 15 MW of nameplate capacity that generates about 5 MW on average. The District has also invested in the Veyo Heat Recovery project that came on line in mid-2016. The District receives about 1.7 MW of carbon-free generation from this resource. In September 2019 the District entered into 25-year Purchase Power Agreement with UAMPS for a 6MW share of the Red Mesa Solar Project. The Project is being developed by UAMPS and the Navajo Tribal Utility Authority for use by UAMPS members. It is scheduled to be online by June 1, 2022. The Red Mesa Solar Project price for energy is among the lowest wholesale price paid by the District for any resource. It is estimated that a 6MW share equates to about 10 percent of total annual District energy requirements.

In August of 2007, the District entered into an agreement with Western Area Power Administration (WAPA) for the delivery of Stampede Dam Hydroelectric generation. In accordance with this agreement, the District is entitled to a portion of the power generated by Stampede Dam. This generation is dependent upon the amount of water that is made available to the generator. This agreement is effective through 2024.

In 2021 and 2020, the UAMPS contract, along with its appendices, and the WAPA contract for Stampede Dam Hydroelectric generation comprised the majority of a diversified power portfolio that balanced risk and costs for the District.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

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

R. CAP AND TRADE PROGRAM PROCEEDS

California Assembly Bill 32 (AB32) is an effort by the State of California to set a 2020 greenhouse gas (GHG) emissions reduction goal into law. AB32 requires California to lower greenhouse gas emissions to 1990 levels by 2020. Central to this initiative is the implementation of a cap and trade program, which covers major sources of GHG emissions in the State including power plants. The California Cap and Trade Program is designed to achieve cost-effective emissions reductions across the capped sectors. The program sets maximum statewide GHG emissions for all covered sectors each year ("cap"), and allows covered entities to sell off allowances ("trade"). An allowance is a tradable permit that allows the emission of one metric ton of CO₂. The California carbon price is driven by allowance trading. The District is subject to AB32 and has excess allowances due to reducing carbon-based generation in its power portfolio.

In 2021 and 2020, the District sold its excess allowances in the program auctions and the proceeds were recorded as \$847,185 and \$1,444,498 operating revenue for the respective years. The auction proceeds are held in a restricted fund and are used to purchase qualified renewable power. (See note 2)

S. INCOME TAXES

As a government agency, the District is exempt from payment of federal and state income taxes.

T. TAX REVENUES

Beginning in 2004, the District levied ad valorem property tax on all the taxable property within the Old Greenwood District in an amount sufficient to pay the yearly principal and interest on the Special Assessment District Tax Bonds. (See notes 5 and 7). The District had revenues of \$800,595 in 2021 and \$782,954 in 2020.

On January 28, 2014, refunding bonds were sold to a private investment firm and the proceeds were used to call the 2003 Old Greenwood bonds on March 1, 2014. The 2014 refunding bonds have the same rate and method of apportionment conditions on the Old Greenwood properties as the original 2003 bonds.

Beginning in 2005, the District levied ad valorem property tax on all taxable property within the Gray's Crossing District in an amount sufficient to pay the yearly principal and interest on the Special Assessment District Tax Bonds. (See notes 5 and 7). The District had revenues of \$2,630,579 in 2021 and \$2,592,373 in 2020.

Taxes are assessed based on the county tax year ending June 30, resulting in unearned revenues for each of the community facility districts. (See note 6).

U. CONTRIBUTED CAPITAL ASSETS

A portion of the District's capital assets have been obtained through amounts charged to developers for plant constructed by the District; direct contributions of capital assets from developers and other parties; as well as assessments of local property owners. These items are recognized within capital assets as construction is completed for plant constructed by the District based on the cost of the items, when received for contributed capital assets based on the actual or estimated fair value of the contributed items, or upon completion of the related project for development agreements. The District records amounts received within capital contributions when a legally enforceable claim is established. Until the District meets the criteria to record the amounts described above as capital contributions, any amounts received are recorded within unearned revenues on the Statement of Net Position.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

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

V. OTHER – PENSION SIDE FUND

As a result of implementing GASB Statement No. 68, the pension side-fund payoff that occurred in 2011 and which had been reported in the financial statements as an asset was written off due to the District's participation in CalPERS cost-sharing multi-employer retirement benefit plan. However, the liability for the payoff remains until paid in full through 2022. The intercompany fund transfers for the principal portion of the debt service between the electric and water utility is included as "other."

W. PENSION

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

X. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

Deferred Outflows of Resources: This separate financial statement element represents consumption of net position or fund balance that applies to future period(s) and so will not be recognized until that time.

Deferred Inflows of Resources: This separate financial statement element represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources until that time.

Y. UNAMORTIZED LOSS ON BOND REFUNDING

For current and advanced refunding results in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt (Gain or loss) is deferred and amortized as a component of interest expense over the remaining life of the old debt or the new debt, whichever is shorter. These amounts are reported as deferred outflow on the statements of net position.

Z. COMPARATIVE INFORMATION

Comparative data for the prior year has been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

AA. RECENT ACCOUNTING PRONOUNCEMENTS IMPLEMENTED BY THE DISTRICT

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, addresses interest costs incurred before the end of a construction period to be recorded as an expenditure in the applicable period. As a result, interest costs incurred before the end of a construction period will not be included in the historical cost of a capital asset reported. Application of this statement is effective for the District's fiscal year ending December 31, 2021. The District has determined that this pronouncement has no changes in financial reporting of the District.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

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

BB. ACCOUNTING PRONOUNCEMENTS TO BE IMPLEMENTED IN UPCOMING YEARS

These statements are not effective until January 1, 2022 or later and may be applicable for the District. The District has not determined what impact, if any, this pronouncement will have on the financial statements.

GASB Statement No. 87, *Leases*, addresses accounting and financial reporting for leases by governments. This Statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases by establishing a single model of lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities. This statement is effective for the District fiscal year ending December 31, 2022.

GASB Statement No.91, “Conduit Debt Obligations.” The objective of this statement is to better meet the information needs of the financial statement users by enhancing the comparability and consistency of the conduit debt obligation reporting and reporting of related transactions and other events by state and local government issuers. This Statement also is intended to improve the relevance, reliability, and understandability of information about conduit debt obligations, as well as related transactions and events. The requirements of this Statement will take effect for financial statements with the fiscal year that ends on or after December 31, 2022.

GASB Statement No.92, “Omnibus 2020.” The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement will take effect for financial statements with the fiscal year that ends on or after June 30, 2022.

GASB Statement No.93, “Replacement of Interbank Offered Rates.” The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 30, 2022.

GASB Statement No.94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements.” The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for fiscal years beginning after June 30, 2023, and all reporting periods thereafter.

GASB Statement No.96, “Subscription-Based Information Technology Arrangements.” The purpose of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for fiscal years beginning after June 30, 2023, and all reporting periods thereafter.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash, cash equivalents and investments are recorded in accounts as either restricted or unrestricted as required by the District's certificates of participation indentures or other third-party legal restrictions. Restricted assets represent funds that are restricted by certificates of participation covenants or third party contractual agreements. Assets that are allocated by resolution of the Board of Directors are considered to be Board designated assets. Board designated assets are a component of unrestricted assets as their use may be redirected at any time by approval of the Board. Upon Board approval, assets from board designated accounts may be used to pay for selected capital projects. Such accounts have been designated by the Board for the following purposes:

Electric Capital Replacement

Starting in 2009, the Board set aside funds designated for future electric infrastructure replacement.

Electric Vehicle Reserve

Beginning in 2009, the Board set aside funds designated for future electric utility vehicle replacements.

Electric Rate Reserve

In compliance with Board rules, the District created an electric rate stabilization fund in anticipation of future costs. During both 2021 and 2020, there was no utilization of these funds to offset increased power costs in lieu of raising electric rates.

Water Vehicle Reserve

Beginning in 2009, the Board set aside funds designated for future water utility vehicle replacements.

Water Capital Replacement

Starting in 2021, the Board set aside funds designated for future water infrastructure replacement.

Prepaid Connection Fees

In compliance with Board rules, the District has set aside prepaid connection fees to cover installation costs of water services.

Debt Service and Operating Reserve Fund

Starting in 2021, the Board combined this operating reserve designation into the operating classification, consistent with Board rules.

Donner Lake Assessment District Surcharge Fund

The District established a monthly billing surcharge in the amount of \$6.65 applicable to customers in the Donner Lake area to provide revenue to pay the remainder of the cost of reconstruction effective October 2006.

Deferred Liabilities Reserve

Starting in 2017, the Board established a reserve to protect the District from volatility in pension, other post-employment benefits, and worker's compensation premiums.

As of December 31, Board designated accounts at fair value consisted of the following:

	<u>2021</u>	<u>2020</u>
Electric capital replacement fund	\$ 11,181,652	\$ 3,649,736
Electric vehicle reserve	259,508	626,347
Electric rate reserve	6,409,163	5,973,501
Electric deferred liabilities reserve	2,094,398	2,085,918
Water vehicle reserve	484,446	197,987
Water capital replacement	1,015,747	-
Prepaid connection fees	78,093	77,788
Debt service & operating reserve fund	-	1,632,667
Donner Lake Assessment District surcharge fund	163,065	147,937
Water deferred liabilities reserve	106,642	106,226
Totals	<u>\$ 21,792,714</u>	<u>\$ 14,498,107</u>

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Certain assets have been restricted by bond covenants or third party contractual agreements for the following purposes:

Certificates of Participation

Prepayments to the Trustee from the District for upcoming debt payments.

Special Tax Bonds: Gray's Crossing

The terms of the special tax bonds issued for the Mello-Roos Community Facilities Districts (CFD) require reserve funds as security for each principal and interest payment as they come due. Reserve funds are set aside as prescribed in the loan documents. These reserve funds are held by Bank of New York Mellon Trust Company.

Facilities Fees

The District charges facilities fees to applicants for new service to cover the costs of infrastructure needed to meet their systems demand. The use of such funds is restricted by California state law.

Department of Water Resources (DWR) Prop 55 Reserve Fund

Regulations relating to the Department of Water Resources loan require the accumulation of a reserve fund as security for each principal and interest payment as they come due. Annual payments into the fund were required for each of the first ten years beginning April 1, 1996. The total reserve fund equals two semi-annual payments and was fully funded during 2006. These funds are set aside for the life of the borrowed amount. All of the reserve funds are invested in the State of California Local Agency Investment Fund.

Donner Lake Special Assessment District Improvement and Reserve Fund

The District established the Donner Lake Special Assessment District (DLAD) Improvement Fund to account for all funds received from the Special Assessment Receivable, which will be used to pay the debt service costs related to the Donner Lake Water System project. The DLAD Improvement Fund also has a reserve fund as required by the California – Safe Drinking Water – State Revolving Fund (SRF). This fund is required to set aside \$40,043 semi-annually for ten years beginning in 2006. The reserve fund was fully funded as of December 31, 2016.

Grant Funds

The District water utility received a \$300,000 grant for capital improvement project in 2021, with \$47,071 expended in 2021. The remaining cash funds balance of \$252,929 is projected to be expended in 2022.

AB32 Cap and Trade Auction Fund

The District electric utility is identified as an “Electric Distribution Utility” under the Cap and Trade regulations and is therefore eligible to receive a direct allocation of allowances that can be sold in an auction. The proceeds from quarterly allowance auctions are held in this restricted fund and are used to purchase qualified renewable power. These funds are intended to mitigate the burden on the consumer without impacting a carbon price signal.

Other (Area Improvement Funds)

The District received funds from the County of Nevada, which are to be used only for improvements to specific areas within the District's boundaries in Nevada County. These areas include various Nevada County assessment districts.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

As of December 31, restricted cash and cash equivalents and investments at fair value consisted of the following:

	2021	2020
Certificates of Participation	\$ 137,917	\$ 571,993
Special tax bonds	2,326,530	2,539,730
Facilities fees	2,282,930	2,587,322
DWR-Prop 55 reserve fund	-	340,762
Donner Lake Special Assessment District improvement	691,416	2,804,343
Donner Lake Special Assessment District reserve fund	-	826,526
Grant Funds	252,929	-
AB 32 Cap and Trade Auction fund	1,059,951	1,606,959
Other (area improvement funds)	56,648	56,428
Total Restricted Cash and Cash	\$ 6,808,321	\$ 11,334,063
Equivalents and Investments		

Cash and investments are comprised of the following cash and cash equivalents and investments as of December 31:

	2021	2020
Cash and cash equivalents	\$ 30,309,446	\$ 39,147,008
Investments – government bonds	9,815,769	1,674,293
Totals	\$ 40,125,215	\$ 40,821,301

Cash and cash equivalents and investments were \$40,125,215 and \$40,821,301 at December 31, 2021 and 2020, respectively. Cash equivalents substantially consist of deposits in the state pooled fund, Placer County pooled fund, money market funds and investments.

Adjustments necessary to record investments at fair market value are recorded in the operating statement as increases or decreases in investment income. Market values may have changed significantly after year end.

FAIR VALUE MEASUREMENT

The District applies the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, which requires governmental entities, to report certain investments at fair value on the Statements of Net Position.

Investments are valued at fair value at December 31. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 the fair value of the asset. Level 1 inputs are quoted prices for identical instruments in active markets. Level 2 inputs are quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model derived valuations in which all significant inputs are observable. Level 3 inputs are valuations derived from valuation techniques in which significant inputs are unobservable.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

FAIR VALUE MEASUREMENT (Continued)

The District classifies its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The District has the following fair value measurements as of December 31, 2021:

- US Government bonds and agency securities are valued using observable inputs (Level 2 inputs).

INVESTMENTS AUTHORIZED BY THE DISTRICT'S INVESTMENT POLICY

The District adopted an investment policy in 2006 which allowed for investments in instruments permitted by the California Government Code and/or the investments permitted by the trust agreements on District financing, including investments in the local government investment fund pool administered by the State of California (LAIF), Placer County Treasurer's Investment Portfolio (PCTIP) pooled investment and Utah Public Treasurers' Investment Fund (UPTIF). The District's investment policy contains provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk. At December 31, 2021 and 2020 the District's deposits and investments at fair value were held as follows:

	2021	2020
Cash on hand	\$ 2,400	\$ 2,400
Deposits	2,975,548	3,073,483
LAIF	11,092,822	17,525,627
PCTIP	6,398,125	8,459,694
UPTIF	8,834,171	8,866,958
Bank Certificates of Deposit	1,492,177	-
Money Market Funds	1,006,381	1,218,846
U.S. Government Agency Securities	7,376,745	-
U.S. Government Bonds	946,846	1,674,293
Totals	\$ 40,125,215	\$ 40,821,301

DISCLOSURES RELATING TO INTEREST RATE RISK

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater is 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 District's investments by maturity for 2021 and 2020:

	Maturity as of December 31,	
	2021	2020
Investments and Deposits		
LAIF	3 months or less	3 months or less
PCTIP	3 months or less	3 months or less
UPTIF	3 months or less	3 months or less
Federated U.S. Treasury Cash Reserve	3 months or less	3 months or less
Morgan Stanley Treasury	3 months or less	3 months or less
Fidelity Money Market Government Portfolio 57	3 months or less	3 months or less
Dreyfus Treasury Securities	3 months or less	3 months or less
Federal Farm Credit Banks	3 months or less	3 months or less
Federal U.S Treasury Bonds	2.5 to 4.5 years	-
Federal Agencies Bonds	2.5 to 4.5 years	-
Bank Certificates of Deposit (FDIC Insured)	2.5 to 4.5 years	-

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

DISCLOSURES RELATING TO CREDIT RISK

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF, PCTIF and UPTIF do not have a rating provided by a nationally recognized statistical rating organization. The Morgan Stanley Treasury is rated AAAM by S&P and Aaa-mf by Moody's. The Federated U.S. Treasury Cash Reserve is rated AAAM by S&P and Aaa-mf by Moody's. Federal Farm Credit Banks is rated AA+ by S&P and Aaa by Moody's. The Dreyfus Treasury Securities is rated Aaa-mf by Moody's and AAAM by S&P. The Fidelity Money Market is rated AAA-mf by Moody's and AAAM by S&P.

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 District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits. However, 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 waived by the government unit). The market value of pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

As of December 31, 2021 and 2020 bank deposits exceeded FDIC insurance coverage by \$2,817,038 and \$2,524,887, respectively.

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 investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or governmental investment pools (such as LAIF).

DEPOSIT IN STATE INVESTMENT POOL

The District is a voluntary participant in the Local Agency Investment Fund (LAIF). This investment fund has an equity interest in the State of California's (State's) Pooled Money Investment Account (PMIA). PMIA funds are on deposit with the State's Centralized Treasury System and are managed in compliance with the California Government Code according to a statement of investment policy which sets forth permitted investment vehicles, liquidity parameters, and maximum maturity of investments. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the LAIF for the entire LAIF portfolio (in relation to the amortized cost of the portfolio). The balance available for withdrawal is based on the accounting records maintained by the LAIF, which are recorded on an amortized cost basis.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

DEPOSIT IN PLACER COUNTY TREASURER INVESTMENT POOL

The District is a voluntary participant in the Placer County Investment Portfolio (PCTIP). The District is eligible to participate in PCTIP because a portion of the District's service area is in Placer County. Investments are on deposit with the Placer County Treasurer and are managed in compliance with the California Government Code according to a statement of investment policy which sets forth permitted investment vehicles, liquidity parameters, and maximum maturity of investments. 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 Placer County Treasurer for the entire PCTIP (in relation to the amortized cost of the portfolio). The balance available for withdrawal is based on the accounting records maintained by the Placer County Treasurer, which are recorded on an amortized cost basis.

DEPOSIT IN UTAH PUBLIC TREASURERS' INVESTMENT FUND

The District is a voluntary participant in the Utah Public Treasurers' Investment Fund (UPTIF). The District is eligible to participate in (UPTIF) through its membership with Utah Associated Municipal Power Systems (UAMPS). Investments are on deposit with State of Utah public treasury and investments are restricted to those authorized by the Utah Money Management Act and rules of the Money Management Council of Utah. The fair value of the District's investments 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 UPTIF through UAMPS Member Retention Fund.

NOTE 3 – TELECOMMUNICATION SERVICES

In 1999, the District initiated a project to expand its basic service offerings to include internet access, cable television and voice delivered over fiber optic networks (the broadband project). The District completed the broadband design project and obtained the necessary regulatory approvals and franchises needed to construct and launch the broadband project. A local cable television service provider filed an objection in September 2004 with the Nevada County Local Agency Formation Commission (LAFCO), the entity responsible for providing regulatory approval for the broadband project. After denying the cable television provider's request for a reconsideration of their approval of the District's project, the cable television provider filed a lawsuit against LAFCO. The District was not named in the lawsuit. A ruling on the lawsuit was received in January 2006. LAFCO prevailed on all portions of the cable television provider's claim. The cable television provider filed an appeal; however, in June of 2007, the Court ruled in favor of LAFCO, upholding the initial ruling.

Since 2009, the District has been exploring options to sell or lease the existing infrastructure to provide a return on investment in the project. Expenses incurred by the District to date on the broadband project total \$2,834,079. In 2021 and 2020 there were no material expenditures for this project.

In 2018, The District signed a Memorandum of Understanding with Plumas Sierra Telecommunications to offer services utilizing these four fibers from Reno to Sacramento in future years.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 4 – CAPITAL ASSETS

Capital assets consist of the following at December 31, 2021 and 2020:

	January 1, 2021	Additions	Reductions	December 31, 2021
Plant Balances				
Electric distribution	\$ 71,894,379	\$ 4,518,836	\$ (391,972)	\$ 76,021,243
Water distribution	121,483,082	2,584,186	(14,819)	124,052,449
General plant	19,316,644	726,741	(216,082)	19,827,303
Total	212,694,105	7,829,763	(622,873)	219,900,995
Accumulated Depreciation				
Electric distribution	(21,385,441)	(2,943,724)	932,565	(23,396,600)
Water distribution	(52,339,068)	(4,323,187)	8,061	(56,654,194)
General plant	(11,522,788)	(1,379,630)	202,313	(12,700,105)
Total	(85,247,297)	(8,646,541)	1,142,939	(92,750,899)
Plant Sub-Total				
Electric distribution	50,508,938	1,575,112	540,593	52,624,643
Water distribution	69,144,014	(1,739,001)	(6,758)	67,398,255
General plant	7,793,856	(652,889)	(13,769)	7,127,198
Total	127,446,808	(816,778)	520,066	127,150,096
Construction work in progress	4,584,711	6,427,636	(5,279,447)	5,732,900
Totals	\$ 132,031,519	\$ 5,610,858	\$ (4,759,381)	\$ 132,882,996
	January 1, 2020	Additions	Reductions	December 31, 2020
Plant Balances				
Electric distribution	\$ 67,692,719	\$ 4,429,790	\$ (228,130)	\$ 71,894,379
Water distribution	120,131,130	2,161,608	(809,656)	121,483,082
General plant	18,450,143	1,397,052	(530,551)	19,316,644
Total	206,273,992	7,988,450	(1,568,337)	212,694,105
Accumulated Depreciation				
Electric distribution	(19,454,296)	(2,350,811)	419,666	(21,385,441)
Water distribution	(48,269,854)	(4,879,104)	809,890	(52,339,068)
General plant	(10,851,669)	(1,156,262)	485,143	(11,522,788)
Total	(78,575,819)	(8,386,177)	1,714,699	(85,247,297)
Plant Sub-Total				
Electric distribution	48,238,423	2,078,979	191,536	50,508,938
Water distribution	71,861,276	(2,717,496)	234	69,144,014
General plant	7,598,474	240,790	(45,408)	7,793,856
Total	127,698,173	(397,727)	146,362	127,446,808
Construction work in progress	6,114,079	6,853,869	(8,383,237)	4,584,711
Totals	\$ 133,812,252	\$ 6,456,142	\$ (8,236,875)	\$ 132,031,519

In accordance with FERC guidelines for utility accounting, additional activity is reflected in the accumulated depreciation accounts for retirement costs related to upgrading capital investment projects and replacing electric distribution, metering and general assets. Accordingly, the retirement costs are reported as part of the change in accumulated depreciation.

As of December 31, 2021 and 2020, the plant in service included land and land rights of \$3,318,346 which are not being depreciated.

A portion of the plant has been contributed to the District. When replacement is needed, the District replaces the contributed plant with District-financed plant.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 5 – LONG-TERM DEBT

Long-term debt consisted of the following at December 31, 2021:

	January 1, 2021	Additions	Reductions	December 31, 2021	Due within one year
Pension Obligation Bonds Electric, 2.47% due semi-annually Refinanced in 2016	\$ 1,578,000	\$ -	\$ (1,039,000)	\$ 539,000	\$ 539,000
State Revolving Fund Loan – Water, 2.34%, due semi-annually beginning in 2006 to 2026.	4,110,535	-	(4,110,535)	-	-
Special Tax Bonds – Mello Roos, CFD Old Greenwood, 4.18%, due serially to 2032	8,385,100	-	(444,800)	7,940,300	484,500
Special Tax Bonds – Mello Roos, CFD Gray's Crossing, 3.25% to , 5.7%, due serially to 2035 (net of unamortized discounts of \$64,006)	12,801,307	-	(415,313)	12,385,994	465,000
Special Tax Bonds – Mello Roos, CFD Gray's Crossing, 3.50% to 5.50%, due serially to 2035 (net of unamortized discounts of \$7,072)	15,607,410	-	(529,482)	15,077,928	585,000
Certificates of Participation – Water, 1.54% due serially to 2021 refinanced in 2016	664,000	-	(664,000)	-	-
Certificates of Participation – Water, 2.00% to 4.00%, due serially to 2035 (net premiums of \$366,987)	11,654,005	-	(632,018)	11,021,987	630,000
Department of Water Resources, 3.18%, due semiannually to 2021, secured by real and personal property.	150,854	-	(150,854)	-	-
Installment loan, 4.58% due serially to 2022	24,942	-	(12,191)	12,751	12,750
Totals	\$ 54,976,153	\$ -	\$ (7,998,194)	\$ 46,977,959	\$ 2,716,250

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 5 – LONG-TERM DEBT (Continued)

Long-term debt consisted of the following at December 31, 2020:

	<u>January 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31, 2020</u>	<u>Due within one year</u>
Pension Obligation Bonds Electric, 2.47% due semi-annually refinanced in 2016	\$ 2,556,000	\$ -	\$ (978,000)	\$ 1,578,000	\$ 1,039,000
State Revolving Fund Loan – Water, 2.34%, due semi-annually beginning in 2006 to 2026.	4,803,024	-	(692,489)	4,110,535	708,788
Special Tax Bonds – Mello Roos, CFD Old Greenwood, 4.18%, due serially to 2032	8,793,600	-	(408,500)	8,385,100	444,800
Special Tax Bonds – Mello Roos, CFD Gray's Crossing, 3.25% to , 5.7%, due serially to 2035 (net of unamortized discounts of \$68,693)	13,171,620	-	(370,313)	12,801,307	420,000
Special Tax Bonds – Mello Roos, CFD Gray's Crossing, 3.50% to 5.50%, due serially to 2035 (net of unamortized discounts of \$7,590)	16,091,892	-	(484,482)	15,607,410	530,000
Certificates of Participation – Water, 1.54% due serially to 2021 refinanced in 2016	1,331,000	-	(667,000)	664,000	605,000
Certificates of Participation – Water, 2.00% to 4.00%, due serially to 2035 (net premiums of \$394,005)	12,266,023	-	(612,018)	11,654,005	664,000
Department of Water Resources, 3.18%, due semiannually to 2021, secured by real and personal property.	445,491	-	(294,637)	150,854	150,854
Installment loan, 4.58% due serially to 2022	47,745	-	(22,802)	24,943	12,191
Totals	<u>\$ 59,506,395</u>	<u>\$ -</u>	<u>\$ (4,530,242)</u>	<u>\$ 54,976,153</u>	<u>\$ 4,574,633</u>

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 5 – LONG-TERM DEBT (Continued)

During April 2004, the District obtained financing in the form of a State Revolving Fund Loan, the proceeds of which were utilized in the replacement of the Donner Lake water system. The District submitted expenditures to the State for reimbursement of \$12,732,965. The semi-annual principal and interest payments were \$400,426 and commenced in 2006. In 2004, the remaining balance of \$12,227,122 was used to pay off the temporary lines of credit obtained in 2001 and 2002 to fund the Donner Lake project. In July 2021, the District paid-off in full the State Revolving Fund Loan balance of \$3,401,747, post-scheduled debt service payment paid July 1, 2021, saving \$202,088 in future interest costs. (See note 8).

During December 2003, the Old Greenwood Community Facilities District issued \$12,445,000 of Special Tax Bonds, the net proceeds of which were utilized to finance various public improvements for property within Old Greenwood. (See note 7). The terms of the Special Tax Bonds call for debt service payments to be provided solely by taxes levied on and collected from the owners of the taxable land within Old Greenwood. The bonds are secured by land located within Old Greenwood.

In January 2014, the original 2003 bonds issued for the Old Greenwood Community Facilities District were refunded (refinanced) by issuing 2014 bonds to a private investment firm at a lower rate, saving the property owners in Old Greenwood over \$3 million over the term of the bonds. The 2014 bonds did not require a reserve fund. Therefore the reserve fund of the 2003 bonds was utilized to reduce the principal. The 2014 bonds have similar terms and have the same rate and method of apportionment for the Old Greenwood parcel owners as the original 2003 bonds.

During 2005 and 2004 respectively, the Gray's Crossing Community Facilities District issued \$15,375,000 and \$19,155,000 of Special Tax Bonds, the net proceeds of which were utilized to finance various public improvements for property within Gray's Crossing. (See note 7). The terms of the Special Tax Bonds call for debt service payments to be provided solely by taxes levied on and collected from the owners of the taxable land within Gray's Crossing. The bonds are secured by land located within Gray's Crossing.

On October 12, 2006, through the Truckee Donner Public Utility District Financing Corporation on behalf of the District issued \$26,570,000 of Certificates of Participation to refund 100% of the outstanding balance of Certificates issued in 1996, complete the funding of the Donner Lake Assessment District water system, and fund water system capital improvements. The refunding portion of the 2006 COP's, totaling \$8,465,000, has an average interest rate of 4.10%. The refunded 1996 COP's had an average interest rate of 5.41%. The net proceeds of \$7,500,557 (after payment of \$63,733 in underwriting fees, insurance and other issuance costs) plus an additional \$1,315,194 of reserve fund monies were used to prepay the outstanding debt service requirements on the 1996 COP's. The terms of the Certificates call for payments to be made only from the net revenues of the Water Division and the debt is secured by this revenue. These revenues are required to be at least equal to 125% of the debt service for each year.

In 2015, a portion of the 2006 COP was refunded. Since a portion of the 2006 COP was used for advance refunding of previous COP, that portion could not be advance refunded at the time of the refunding. The new 2015 refunding did not require a reserve fund. The reserve fund was liquidated and applied towards reducing the debt principal. The estimated net present value savings were \$1,600,000 or 10% over the remaining life of issuance.

In 2016, the remaining portion of the 2006 COP was refunded. Due to the refunding an estimated net present value savings of \$222,000 was achieved.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 5 – LONG-TERM DEBT (Continued)

Under the Safe Drinking Water Bond Law of 1986, the Department of Water Resources provided a \$5,000,000 loan to the District in 1993. The loan was to finance capital improvements to the public water supply and to reduce water quality hazards. The terms of the loan call for payments to be made only from the net revenues of the Water Division, which are required to be sufficient to pay the debt service for each year.

In June 2011, the District refunded (refinanced) an existing \$7.8 million pension side fund obligation for its participation in CalPERS. Prior to 2011, the annual side fund payments were expensed and described in the Notes to Financial Statements. The pension side fund liability was amortized through June 2022 with a 7.75% rate. This liability was not required to be reported on the District's Statement of Net Position, but the future pension expense was included in budget and rate calculations. The new refunding rate of 5% reduced the District's annual pension costs by almost \$100,000 through 2022. In 2016, the District refunded the pension side fund again earning the District annual savings of \$30,000 or \$164,000 in total.

As a normal part of its operations, the District finances the acquisition of certain assets through the use of installment loans. These loans have been used to finance the purchase of vehicles, equipment, and certain water system improvements. There were no additional installment loans in 2021 or 2020.

Scheduled payments on debt are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,716,250	\$ 2,256,600	\$ 4,972,850
2023	2,333,200	2,146,982	4,480,182
2024	2,520,300	2,036,126	4,556,426
2025	2,716,100	1,915,968	4,632,068
2026	2,915,600	1,786,074	4,701,674
2027-2031	18,081,900	6,628,662	24,710,562
2032-2036	15,398,700	1,929,891	17,328,591
	<u>\$ 46,682,050</u>	<u>\$ 18,700,303</u>	<u>\$ 65,382,353</u>
Plus: Unamortized premiums	366,987		
Less: Unamortized discounts	(71,078)		
	<u>\$ 46,977,959</u>		

Scheduled debt service payments by division are:

	Electric	Water	CFD Gray's Crossing	CFD Old Greenwood	Consolidated Total
2022 \$	558,991	1,033,937	2,563,518	816,405	\$ 4,972,850
2023		\$ 1,033,738	2,606,593	839,852	\$ 4,480,182
2024		\$ 1,032,538	2,664,015	859,874	\$ 4,556,426
2025		\$ 1,035,338	2,719,895	876,835	\$ 4,632,068
2026		\$ 1,031,938	2,773,945	895,791	\$ 4,701,674
2027-2031		\$ 5,160,625	14,712,693	4,837,244	\$ 24,710,562
2032-2036		\$ 3,405,175	12,882,970	1,040,446	\$ 17,328,591

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 6 – UNEARNED REVENUES

Transactions that have not yet met revenue recognition requirements are recorded as a non-current liability and reflected in the accompanying Statement of Net Position. As of December 31, 2021 and 2020, unearned revenues consist of unearned special assessment revenues, development agreement deposits, connection fees, and other deposits.

Unearned revenues consisted of the following at December 31, 2021 and 2020:

	January 1, 2021	Additions	Reductions	December 31, 2021
Unearned tax revenues	\$ 1,697,903	\$ 1,733,270	\$ (1,697,904)	\$ 1,733,269
Development agreement deposits	3,884,919	1,163,064	(2,728,751)	2,319,232
Connection fees and other deposits	1,262,285	1,923,685	(1,655,067)	1,530,903
Totals	\$ 6,845,107	\$ 4,820,019	\$ (6,081,722)	\$ 5,583,404

	January 1, 2020	Additions	Reductions	December 31, 2020
Unearned tax revenues	\$ 1,677,418	\$ 1,727,290	\$ (1,706,805)	\$ 1,697,903
Development agreement deposits	3,210,661	907,627	(233,369)	3,884,919
Connection fees and other deposits	1,364,626	1,405,210	(1,507,551)	1,262,285
Totals	\$ 6,252,705	\$ 4,040,127	\$ (3,447,725)	\$ 6,845,107

NOTE 7 – COMMUNITY FACILITIES DISTRICTS

In order to finance various public improvements needed to develop property within the Town of Truckee, California, the District formed Community Facilities Districts (CFD), which issued Special Tax Bonds pursuant to the Mello-Roos Community Facilities Act of 1982, as amended. Accordingly, the Bonds are special obligations of the respective Community Facilities Districts and are payable solely from revenues derived from taxes levied on and collected from the owners of the taxable land within the respective Community Facilities Districts. These Special Tax Bonds are not general or special obligations of the District. The Board of Directors of the District is the legislative body of the Communities Facilities Districts and as such they approve the rates and method of apportionment of the special taxes. As improvements were completed, the infrastructure was donated in the form of a capital contribution to the Town of Truckee, the Truckee Sanitary District, Southwest Gas, and the District.

In December 2003, the Community Facilities District No. 03-1 (Old Greenwood) was formed and issued \$12,445,000 in Special Tax Bonds (the 03-1 Bonds). In January 2014, the original 2003 bonds were refunded (refinanced) by issuing 2014 bonds to a private investment firm at a lower rate, saving the property owners in Old Greenwood over \$3 million over the term of the bonds. The 2014 bonds have similar terms and have the same rate and method of apportionment for the Old Greenwood parcel owners as the original 2003 bonds.

During 2021 and 2020 respectively, taxes of \$810,794 and \$790,384 were levied by Old Greenwood. Of these amounts, \$405,397 and \$395,192 relate to 2021 and 2020 respectively, and accordingly are included in tax revenues in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. The remaining amount will be recognized in future periods and are included in unearned revenues on the accompanying Statement of Net Position.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 7 – COMMUNITY FACILITIES DISTRICTS (Continued)

In September 2004, the Community Facilities District No. 04-1 (Gray's Crossing) was formed and issued \$15,375,000 in Special Tax Bonds (the 04-1 Bonds). In 2005, an additional \$19,155,000 (2005 Series) in Special Tax Bonds was issued for the Gray's Crossing CFD. During the county tax roll for 2021 and 2020, taxes of \$2,655,730 and \$2,605,427 respectively were levied by Gray's Crossing. Of this amount, \$1,327,865 and \$1,302,714 relate to 2021 and 2020 respectively, and accordingly, are included in tax revenues. The remaining levied amount through the county tax roll will be recognized in future periods and is included in unearned revenues on the accompanying Statement of Net Position.

Due to consistently high tax levy payment delinquencies, the Gray's Crossing made unscheduled reserve fund draws to fund debt payments of \$214,815 and \$132,640, for 2021 and 2020 respectively. Gray's Crossing Reserve Fund balance as of year-end December 31 was \$2,322,811 and \$2,536,011, for 2021 and 2020 respectively.

The official statements and continuing disclosures may be viewed on the web site of Electronic Municipal Market Access (EMMA) of the Municipal Securities Rulemaking Board (MSRB), <http://emma.msrb.org/>. The Committee on Uniform Securities Identification Procedures number (CUSIP) for these special tax bonds is CUSIP 897817.

NOTE 8 – DONNER LAKE WATER COMPANY ACQUISITION

In 2001, the District acquired the Donner Lake Water Company by initiating an eminent domain lawsuit. As a part of the takeover, the District replaced the entire water system, which cost approximately \$15.6 million and was completed in 2006. The District initially estimated the replacement cost to be \$13 million. The Donner Lake property owners agreed to reimburse the District for the full costs of the replacement. Therefore, an assessment was placed on each Donner Lake homeowner's property for a pro-rata share of the \$13 million payable immediately or with an option to pay over 20 years. The assessment is collected by Nevada County and Placer County on behalf of the District and is secured by the Donner Lake property owners. A monthly \$6.65 water system upgrade surcharge is paid by the Donner Lake customers to reimburse the District for the \$2.6 million cost incurred in excess of the assessment.

In April 2004, the District obtained financing in the form of a State Revolving Fund Loan for \$12,732,965 at a rate of 2.34%. The District is required to fund a reserve account by making semi-annual reserve payments in the amount of \$40,043 for a 10-year period. The reserve fund was fully funded as of December 31, 2016.

As of December 31, 2021 and 2020, the assessment receivable from the property owners was \$10,605 and \$783,721, respectively. These amounts are shown as Special Assessments Receivable in the Statement of Net Position. The proceeds of the assessment and surcharge are placed in the Donner Lake Special Assessment District Improvement Fund and used to pay the debt service for the water system improvements.

In July 2021, the District paid-off in full the State Revolving Fund Loan balance of \$3,401,747, post-scheduled debt service payment paid July 1, 2021, saving \$202,088 in future interest costs. Donner Lake Assessment District long-term invested funds which matured in 2021 were utilized to make the payment. The previously invested funds utilized were intended for scheduled debt service through 2026, as the 20-year special tax assessment ended with the 2021/2022 property tax year.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 9 – EMPLOYEE BENEFIT PLANS

A. PENSION PLANS

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

Benefits Provided – CalPERS provides service retirement and disability benefits, annual costs 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 benefits is Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. The 2.7% at 55 Miscellaneous Plan is closed to new entrants.

The plans’ provisions and benefits in effect at December 31, 2021 are summarized as follows:

Hire Date	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Benefit Formula	2.7% @ 55	2% @ 62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50 and Up	52 and Up
Monthly Benefits, as a % of eligible compensation	2.0% - 2.7%	1.0% to 2.5%
Required Employee Contributions Rates	8%	6.75%
Required Employer Contributions Rates	13.515%	7.732%

Contributions – Section 208149(c) of the California Public Employee’s Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions shown below are for the fiscal year ending June 30, 2021 and 2020, respectively.

Hire Date	Miscellaneous		
	Prior to January 1, 2013	On or after January 1, 2013	Combined Total
Benefit Formula	2.7% @ 55	2% @ 62	
2021 Employer Contributions	\$ 279,138	\$ 135,682	\$ 414,820
2020 Employer Contributions	1,209,423	125,969	1,335,392
Fiscal Year End 6/30/2021 Total	1,488,561	261,651	1,750,212
2020 Employer Contributions	311,731	97,434	409,165
2019 Employer Contributions	1,073,626	93,939	1,167,565
Fiscal Year End 6/30/2020 Total	\$ 1,385,357	\$ 191,373	\$ 1,576,730

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 9 – EMPLOYEE BENEFIT PLANS (Continued)

B. PENSION LIABILITIES, PENSION EXPENSES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO PENSIONS

As of December 31, 2021, the District reported net pension liabilities for its proportionate shares of the net pension liability as follows:

Proportionate Share of Net Pension Liability	
Fiscal Year Ending	
<u>June 30, 2021</u>	<u>June 30, 2020</u>
\$7,683,937	\$14,023,172

The District's net pension liability is measured as a proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 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 plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan for the measurement date of June 30, 2021 and June 30, 2020 is as follows:

Measurement Date	Percentage Share of Risk Pool		
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>
Percentage of Plan NPL	0.40467%	0.33245%	0.07222%

At December 31, 2021 and 2020 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 861,671	-
Differences between projected and actual investment earnings	-	\$ 6,707,671
Differences between employer's contributions and proportionate share of contributions	-	489,130
Change in employer's proportion	403,396	-
Pension contributions made subsequent to the measurement date	1,434,311	-
Total	<u>\$ 2,699,378</u>	<u>\$ 7,196,801</u>

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 9 – EMPLOYEE BENEFIT PLANS (Continued)

B. PENSION LIABILITIES, PENSION EXPENSES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO PENSIONS *(Continued)*

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	-	\$ 100,019
Differences between expected and actual experience	\$ 722,656	-
Differences between projected and actual investment earnings	416,581	-
Differences between employer's contributions and proportionate share of contributions	-	437,276
Change in employer's proportion	470,436	-
Pension contributions made subsequent to the measurement date	1,304,573	-
Total	\$ 2,914,246	\$ 537,295

For the as of December 31, 2021 balances of deferred outflows and inflows of resources, \$1,434,311 is reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense net credits as follows:

Year Ended December 31	(Credit) Amounts
2022	\$ (1,229,110)
2023	(1,337,715)
2024	(1,511,255)
2025	(1,853,654)
	\$ (5,931,734)

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 9 – EMPLOYEE BENEFIT PLANS (Continued)

B. PENSION LIABILITIES, PENSION EXPENSES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous 2021</u>
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	Expenses; includes Inflation
Mortality (1)	Derived using CalPERS membership data for all funds

(1) The mortality table used was developed based on CalPERS' specific data. The Table includes 15 years of mortality improvements using 90 percent of Scale MP 2016 published by the Society of Actuaries. For more details on this table, please refer to the 2017 experience study report.

All underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on results of a December 2017 CalPERS Experience Study and Review of Actuarial Assumptions. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability as of June 30, 2021 was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate used is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 9 – EMPLOYEE BENEFIT PLANS (Continued)

B. PENSION LIABILITIES, PENSION EXPENSES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO PENSIONS *(Continued)*

(first 10 years) and the long term (11 + years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown below is based on a plan adopted by CalPERS' Board effective on July 1, 2018.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10</u>	<u>Real Return Years 11+</u>
Public Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100.0%		

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 each Plan, calculated using the discount rate for each 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:

<u>Miscellaneous</u>	
<u>Measurement Date</u>	June 30, 2021
1% Decrease	6.15%
Net Pension Liability	\$15,760,204
Current Discount Rate	7.15%
Net Pension Liability	\$7,683,937
1% Increase	8.15%
Net Pension Liability	\$1,007,403

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 9 – EMPLOYEE BENEFIT PLANS (Continued)

C. PAYABLE TO THE PENSION PLAN

At December 31, 2021 and 2020 respectively the District did not report a payable for outstanding required contributions to the pension plan

D. DEFERRED COMPENSATION PLAN

The District maintains two deferred compensation plans: a 401(a) and a 457 plan, (the Plans) for certain qualified employees. The District matches 6.78% of eligible employee contributions. In 2021 the total match was \$233,369 compared to \$195,156 in 2020. The District has no liability for losses under the Plans, but does have the duty of due care that would be required of an ordinary prudent investor. The District has not reflected the Plans' assets and corresponding liabilities (if any) on the accompanying Statement of Net Position.

E. OTHER POST EMPLOYMENT BENEFITS (OPEB)

General Information - As discussed in Note 1, beginning with the year ended December 31, 2018, the District adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The District administers a single-employer defined-benefit post-employment healthcare plan and dependents are eligible to enroll. The District's retiree Benefits Plan (the Plan) recognizes benefit payments when due and payable in accordance with the benefit terms. The Plan's fiduciary net position has been determined on the same basis as is reported by the Plan in calculating the fiduciary net position (Net OPEB Liability), deferred outflows of resources and deferred inflows of resource and associated OPEB expense.

Benefits Provided – Retirees are eligible for a District contribution towards premiums for the retiree health plans(s) if they have 10+ years of District service. The maximum District contribution is based on years of service. The Retiree is eligible for 50% of the following maximums, with a minimum of 10 years of service, plus 5% for each year of service over 10 years: \$475 per person enrolled in the plan, if not eligible for Medicare, and \$375 per person enrolled, if eligible for Medicare.

Employees Covered – At December 31, 2020 (the valuation date), the benefit terms covered the following employees:

<u>Category</u>	<u>Count</u>
Active Employees	64
Inactive Employees, spouses, or beneficiaries currently receiving payments(s)	65
Inactive employees entitled to but not yet receiving benefit payment(s)	-
Total	<u>129</u>

Contributions – The District pays benefits as they come due and contributes additionally to the Trust annually. The District's annual contribution to the Trust as of December 31, 2021 and 2020 was \$113,300 and \$110,006, respectively.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 9 – EMPLOYEE BENEFIT PLANS (Continued)

E. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Net OPEB Liability – The District’s net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019.

Actuarial Assumptions

The total OPEB Liability in the December 31, 2020 measurement was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation: 2.50%

Salary Increases: Base salary increases in year one: 2.750%. Additional merit-based increases based on CalPERS.

Investment Rate of Return: 7.61%

Healthcare cost trend rates: 6.50% in the first year, trending down to 4.04% over 56 years

Mortality Rates: Based on CalPERS tables

The discount rate used to measure the total OPEB liability was 7.61%. The projection of cash flows used to determine the discount rate assumed that the District contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 9 – EMPLOYEE BENEFIT PLANS (Continued)

E. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Net OPEB Liability – The changes in the net OPEB liability for the Plan are as follows:

	Increases (Decreases)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(c) = (a) -(b)
Balance as of Report Date December 31, 2020	\$ 8,693,052	\$ 2,717,465	\$ 5,975,587
Changes for the year:			
Service Cost	206,271	-	206,271
Interest	621,983	-	621,983
Differences between Expected and Actual Experience	(28,016)	-	(28,016)
Changes of Assumptions	(187,044)		(187,044)
Contributions			-
Employer - District's Contribution	-	391,334	(391,334)
Employer - Implicit Subsidy	-	546,439	(546,439)
Net Investment Income	-	378,904	(378,904)
Benefit Payments	(281,328)	(281,328)	-
Implicit Rate Subsidy Credit	(546,439)	(546,439)	-
Administrative Expenses	-	(1,353)	1,353
Net Changes	(214,573)	487,557	(702,130)
Balance as of Report Date December 31, 2021	\$ 8,478,479	\$ 3,205,022	\$ 5,273,457

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 9 – EMPLOYEE BENEFIT PLANS (Continued)

E. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

	Increases (Decreases)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(c) = (a) - (b)
Balance as of Report Date December 31, 2019	\$ 6,473,886	\$ 2,145,534	\$ 4,328,352
Changes for the year:			
Service Cost	168,811	-	168,811
Interest	476,373	-	476,373
Differences between Expected and Actual Experience	1,814,336	-	1,814,336
Changes of Assumptions	306,886		306,886
Contributions			-
Employer - District's Contribution	-	376,674	(376,674)
Employer - Implicit Subsidy	-	270,562	(270,562)
Net Investment Income	-	473,144	(473,144)
Benefit Payments	(276,678)	(276,678)	-
Implicit Rate Subsidy Credit	(270,562)	(270,562)	-
Administrative Expenses	-	(1,209)	1,209
Net Changes	2,219,166	571,931	1,647,235
Balance as of Report Date December 31, 2020	\$ 8,693,052	\$ 2,717,465	\$ 5,975,587

Sensitivity of the net OPEB liability to changes in the discount rate - The net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.61%) or one percentage point higher (8.61%) is as follows:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
	6.61%	7.61%	8.61%
Net OPEB Liability	\$ 5,975,192	\$ 5,273,457	\$ 4,659,021

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates - The net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.50%) or one percentage point higher (7.50%) than current healthcare cost trend rates is as follows:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
	5.50%	6.50%	7.50%
	Decreasing to 3.04%	Decreasing to 4.04%	Decreasing to 5.04%
Net OPEB Liability	\$ 4,817,193	\$ 5,273,457	\$ 5,793,897

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 9 – EMPLOYEE BENEFIT PLANS (Continued)

E. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Plan Fiduciary Net Position – CERBT issues a publicly available financial report for the overall OPEB plan’s fiduciary net position which may be obtained from CalPERS at PO Box 942709, Sacramento, Ca. 94229-2709.

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB – For the year ended December 31, 2021, the District recognized an OPEB expense of \$866,039. At December 31, 2021 and 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the follow sources:

	2021	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,337,811	\$ 40,876
Changes of assumptions	215,278	345,322
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	244,417
District contributions made subsequent to the measurement date	943,660	-
Total	<u>\$ 2,496,749</u>	<u>\$ 630,615</u>

	2020	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,622,453	\$ 21,304
Changes of assumptions	261,082	232,745
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	77,526
District contributions made subsequent to the measurement date	938,683	-
Total	<u>\$ 2,822,218</u>	<u>\$ 331,575</u>

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 9 – EMPLOYEE BENEFIT PLANS (Continued)

E. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

The \$943,660 reported as deferred outflows of resources related to contributions subsequent to the December 31, 2020 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
2022	\$ 196,686
2023	200,449
2024	144,601
2025	203,993
2026	199,205
thereafter	<u>(22,460)</u>
	\$ 922,474

NOTE 10 – SELF FUNDED INSURANCE

The District has a self-funded vision insurance program and claims were processed by and on behalf of the District. The District did not maintain a claim liability; rather claims were expensed as paid. The amount of claims paid for each of the past three years have not been material.

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TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 11 – SEGMENT DISCLOSURE

The District has issued revenue bonds to finance electric and water distribution facilities. The District also issued special tax bonds secured by tax revenues from Mello-Roos Community Facilities Districts. Each project has an external requirement to be reported separately, and investors in the revenue bonds and special tax bonds rely solely on the revenue generated by the individual projects for repayment. Summary financial information for each project is presented on the following pages for the years ending December 31, 2021 and 2020.

STATEMENT OF NET POSITION

	December 31, 2021					Grand Total
	Electric	Water	Gray's Crossing	Old Greenwood	Eliminations	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Current assets	\$ 26,296,193	\$ 9,086,646	\$ 9,410,145	\$ 1,103,520	\$ -	\$ 45,896,504
Non-current assets:						
Investments	5,848,933	3,966,836	-	-	-	9,815,769
Broadband maintenance prepaid	124,461	-	-	-	-	124,461
Capital assets, net	61,493,134	71,389,862	-	-	-	132,882,996
Total Noncurrent Assets	67,466,528	75,356,698	-	-	-	142,823,226
Total Assets	93,762,721	84,443,344	9,410,145	1,103,520	-	188,719,730
Deferred outflows of resources						
Pension	1,619,627	1,079,751	-	-	-	2,699,378
OPEB	1,498,049	998,700	-	-	-	2,496,749
Unamortized loss on refunding	-	445,570	-	-	-	445,570
Unamortized redemption premium on refunding	13,630	-	-	-	-	13,630
Total Deferred Outflows of Resources	3,131,306	2,524,021	-	-	-	5,655,327
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 96,894,027	\$ 86,967,365	\$ 9,410,145	\$ 1,103,520	\$ -	\$ 194,375,057
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION						
Current liabilities	\$ 5,534,813	\$ 1,247,059	\$ 1,554,505	\$ 595,135	\$ -	\$ 8,931,512
Non-current Liabilities						
Long-term debt, net of current portion	-	10,391,987	26,413,922	7,455,800	-	44,261,709
Net pension liability	4,610,362	3,073,575	-	-	-	7,683,937
OPEB liability	3,164,074	2,109,383	-	-	-	5,273,457
Unearned revenues	2,688,132	1,162,002	1,327,865	405,405	-	5,583,404
Total Noncurrent Liabilities	10,462,568	16,736,947	27,741,787	7,861,205	-	62,802,507
Total Liabilities	15,997,381	17,984,006	29,296,292	8,456,340	-	71,734,019
Deferred inflows of resources						
Pension	4,318,081	2,878,720	-	-	-	7,196,801
OPEB	378,369	252,246	-	-	-	630,615
Total Deferred Inflows of Resources	4,696,450	3,130,966	-	-	-	7,827,416
Net Position						
Net investment in capital assets	61,480,384	60,813,445	(27,463,922)	(7,940,300)	-	86,889,607
Restricted	1,068,491	3,351,806	2,828,679	-	-	7,248,976
Unrestricted	13,651,321	1,687,142	4,749,096	587,480	-	20,675,039
Total Net Position	76,200,196	65,852,393	(19,886,147)	(7,352,820)	-	114,813,622
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 96,894,027	\$ 86,967,365	\$ 9,410,145	\$ 1,103,520	\$ -	\$ 194,375,057

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 11 – SEGMENT DISCLOSURE (Continued)

	December 31, 2020					Grand Total
	Electric	Water	Gray's Crossing	Old Greenwood	Eliminations	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Current assets	\$ 31,018,878	\$ 13,067,679	\$ 9,270,967	\$ 1,119,867	\$ (53,323)	\$ 54,424,068
Non-current assets:						
Capital assets, net	59,492,672	72,538,847	-	-	-	132,031,519
Restricted investment fund	-	1,674,293	-	-	-	1,674,293
Broadband maintenance prepaid	186,693	-	-	-	-	186,693
Total Noncurrent Assets	59,679,365	74,213,140	-	-	-	133,892,505
Total Assets	90,698,243	87,280,819	9,270,967	1,119,867	(53,323)	188,316,573
Deferred outflows of resources						
Pension	1,748,548	1,165,698	-	-	-	2,914,246
OPEB	1,693,331	1,128,887	-	-	-	2,822,218
Unamortized loss on refunding	-	478,372	-	-	-	478,372
Unamortized redemption premium on refunding	40,891	-	-	-	-	40,891
Total Deferred outflows of resources	3,482,770	2,772,957	-	-	-	6,255,727
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 94,181,013	\$ 90,053,776	\$ 9,270,967	\$ 1,119,867	\$ (53,323)	\$ 194,572,300
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION						
Current liabilities	\$ 4,995,944	\$ 2,793,029	\$ 1,471,533	\$ 614,955	\$ (53,323)	\$ 9,822,138
Non-current Liabilities						
Long-term debt, net of current portion	551,751	14,450,752	27,458,717	7,940,300	-	50,401,520
Net pension liability	8,413,903	5,609,269	-	-	-	14,023,172
OPEB liability	3,585,352	2,390,235	-	-	-	5,975,587
Unearned revenues	3,996,087	1,151,117	1,302,713	395,190	-	6,845,107
Total Noncurrent Liabilities	16,547,093	23,601,373	28,761,430	8,335,490	-	77,245,386
Total Liabilities	21,543,037	26,394,402	30,232,963	8,950,445	(53,323)	87,067,524
Deferred inflows of resources						
Pension	322,377	214,918	-	-	-	537,295
OPEB	198,945	132,630	-	-	-	331,575
Total Deferred Inflows of Resources	521,322	347,548	-	-	-	868,870
Net Position						
Net investment in capital assets	59,467,730	56,437,825	(28,408,717)	(8,385,100)	-	79,111,738
Restricted	2,354,515	6,273,747	2,811,651	-	-	11,439,913
Unrestricted	10,294,409	600,254	4,635,070	554,522	-	16,084,255
Total Net Position	72,116,654	63,311,826	(20,961,996)	(7,830,578)	-	106,635,906
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 94,181,013	\$ 90,053,776	\$ 9,270,967	\$ 1,119,867	\$ (53,323)	\$ 194,572,300

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 11 – SEGMENT DISCLOSURE (Continued)

STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

	Year ended December 31, 2021					
	Electric	Water	Gray's		Eliminations	Grand Total
			Crossing	Greenwood		
Operating Revenues						
Sales to consumers	\$ 26,884,635	\$ 14,950,899	\$ -	\$ -	\$ -	\$ 41,835,534
Other operating revenues	3,005,500	468,511	-	-	(1,809,078)	1,664,933
Operating expenses	(26,719,932)	(9,736,481)	-	-	1,809,078	(34,647,335)
Depreciation	(3,377,198)	(4,540,752)	-	-	-	(7,917,950)
Non-operating revenues (expenses)	(163,835)	(498,912)	1,075,849	477,758	-	890,860
Income (loss) before capital & other contributions	(370,830)	643,265	1,075,849	477,758	-	1,826,042
Capital contributions, net	4,454,372	1,897,302	-	-	-	6,351,674
CHANGE IN NET POSITION	4,083,542	2,540,567	1,075,849	477,758	-	8,177,716
Net Position, Beginning	72,116,654	63,311,826	(20,961,996)	(7,830,578)	-	106,635,906
NET POSITION, ENDING	\$ 76,200,196	\$ 65,852,393	\$ (19,886,147)	\$ (7,352,820)	\$ -	\$ 114,813,622

	Year ended December 31, 2020					
	Electric	Water	Gray's		Eliminations	Grand Total
			Crossing	Greenwood		
Operating Revenues						
Sales to consumers	\$ 25,451,966	\$ 13,536,058	\$ -	\$ -	\$ -	\$ 38,988,024
Other operating revenues	4,019,447	470,799	-	-	(1,736,243)	2,754,003
Operating expenses	(23,009,999)	(9,598,557)	-	-	1,736,243	(30,872,313)
Depreciation	(3,012,752)	(4,962,116)	-	-	-	(7,974,868)
Non-operating revenues (expenses)	312,226	(153,625)	836,435	427,154	-	1,422,190
Income (loss) before capital & other contributions	3,760,888	(707,441)	836,435	427,154	-	4,317,036
Capital contributions, net	1,069,413	974,382	-	-	-	2,043,795
CHANGE IN NET POSITION	4,830,301	266,941	836,435	427,154	-	6,360,831
Net Position, Beginning	67,286,353	63,044,885	(21,798,431)	(8,257,732)	-	100,275,075
NET POSITION, ENDING	\$ 72,116,654	\$ 63,311,826	\$ (20,961,996)	\$ (7,830,578)	\$ -	\$ 106,635,906

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 12 – MARTIS VALLEY GROUNDWATER MANAGEMENT EFFORTS

The Martis Valley aquifer underlies about 35,000 acres in both Placer and Nevada counties, near the Town of Truckee. It is the main groundwater supply for numerous public and private entities. This area has seen significant growth in the last few decades with more planned for the future. Maintaining an adequate water supply and protecting water quality are critical for the region's future.

The Truckee Donner Public Utility District (TDPUD), Northstar Community Services District (NCSD) and Placer County Water Agency (PCWA) are the three primary public water agencies with jurisdiction in the Martis Valley Groundwater Basin (MVGB). Together, the TDPUD, NCSD and PCWA (Partnership Agencies) partnered to submit a Groundwater Management Plan and to help develop a groundwater model for the Martis Valley basin.

The Martis Valley Groundwater Management Plan (GMP) was prepared in 2013 to reflect current water resources planning in the region and to incorporate the latest information and understanding of the underlying groundwater basin. This collaborative effort provided the guidance necessary to align groundwater policy. In addition to the GMP, a computer model of the groundwater basin was developed by the Desert Research Institute, which incorporated available data and enhanced understanding of the groundwater basin. A climate change modeling component out to the end of the century was part of the overall Federal study effort.

Partner agencies each adopted the GMP in February 2012 and the model and associated report was completed in 2015. The total cost of the project was approximately \$1,000,000, which includes federal funding of approximately \$500,000 from the U.S. Bureau of Reclamation and \$250,000 from the Lawrence Livermore National Laboratory; and contributions of \$150,000 from TDPUD and \$100,000 from the other members of the Partnership Agencies.

In mid-2016, the California Sustainable Groundwater Management Act of 2014 (SGMA) took effect for which the District was the submitting agency of a SGMA Alternate Submittal in December, 2016 on behalf of the Town of Truckee, Placer County, Nevada County, PCWA, and Northstar CSD (Local SGMA Agencies). The SGMA Alternative Submittal was intended to comply with the new regulations. There was an adopted MOA amongst the six local agencies for this compliance project which covers the time period for preparation of the SGMA Alternative Submittal, possible conditional acceptance of the plan by DWR, and submittal of a first-year annual report. DWR had two years by statute to review the SGMA Alternative Submittal.

In 2018, DWR was required to undergo groundwater basin prioritization which is the basis for compliance obligation for SGMA. The MVGB had previously been prioritized as medium priority. DWR's final Determination was to re-prioritize MVGB to low priority. This was a significant act that resulted in a direct reduction in regulatory burden and future regulatory costs that would be required for groundwater management. To ensure continued stewardship and management of the MVGB, the District and its local partners have agreed to return to the 2013 GMP framework which was never fully implemented due to SGMA. There was a kick-off meeting for the GMP in 2019 and the three local water agencies have hired a hydrogeologic consultant to prepare the first annual report as required by the GMP. The consultant's report was presented to the GMP Stakeholder Working Group at the annual meeting in the summer of 2020.

NOTE 13 – CLAIMS AND JUDGMENTS

From time to time, the utility is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the utility's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the utility's financial position or results of operations.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 14 – RISK MANAGEMENT

The utility is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial liability in any of the past three years. There were no significant reductions in coverage compared to the prior year.

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Water Crew repairing water main

REQUIRED SUPPLEMENTARY INFORMATION

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2021 and 2020

COST SHARING DEFINED BENEFIT PENSION PLANS

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

Cost Sharing Defined Benefit Plans

As of June 30

Last Ten Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Portion of Net Pension Liability	0.40467%	0.33245%	0.32145%	0.31157%	0.30379%	0.29837%	0.29209%	0.09982%
Proportionate Share of The Net Pension Liability	\$ 7,683,937	\$ 14,023,172	\$ 12,872,646	\$ 11,742,137	\$ 11,975,655	\$ 10,250,329	\$ 8,013,400	\$ 6,210,985
Covered Payroll	\$ 7,762,131	\$ 7,619,022	\$ 7,602,120	\$ 7,375,933	\$ 7,108,563	\$ 6,670,248	\$ 6,162,431	\$ 6,278,545
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	98.99%	184.05%	169.33%	159.20%	168.47%	153.67%	130.04%	98.92%
Proportionate Share of Plan's Fiduciary Net Position	\$ 53,485,582	\$ 43,589,560	\$ 40,367,745	\$ 29,308,590	\$ 27,244,095	\$ 30,950,578	\$ 30,725,516	\$ 30,386,101
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	87.44%	75.66%	75.82%	75.26%	73.31%	75.12%	79.31%	89.17%

* Fiscal year 2014 was the 1st year of implementation, therefore only eight years are shown

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2021 and 2020

COST SHARING DEFINED BENEFIT PENSION PLANS - CONTINUED

Schedule of Contributions
 Cost Sharing Defined Benefit Plans
 December 31
 Last Ten Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution (Actuarially Determined)	\$ 1,844,808	\$ 1,746,709	\$ 1,872,297	\$ 1,890,102	\$ 1,670,256	\$ 1,478,700	\$ 1,312,540	\$ 938,637
Contributions in Relation to the Actuarially Determined Contributions	<u>1,844,808</u>	<u>1,746,709</u>	<u>1,872,297</u>	<u>1,890,102</u>	<u>1,670,256</u>	<u>1,478,700</u>	<u>1,312,540</u>	<u>938,637</u>
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Covered Payroll	\$ 7,704,033	\$ 7,889,154	\$ 7,494,347	\$ 7,358,842	\$ 6,940,748	\$ 6,663,230	\$ 6,074,329	\$ 5,907,091
Contributions as a percentage of covered-employee payroll	24%	22%	25%	26%	24%	22%	22%	16%

* Fiscal year 2014 was the 1st year of implementation, therefore only eight years are shown

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2021 and 2020

Schedule of Changes in The District's Net OPEB Liability and Related Ratios

Measurement Date:	December 31,	2020	2019	2018	2017
Report Date:	December 31,	2021	2020	2019	2018
<u>Total OPEB Liability</u>					
Service Cost	\$	206,271	\$ 168,811	\$ 178,856	\$ 170,473
Interest		621,983	476,373	457,563	448,374
Changes in Benefit Terms		0	0	0	0
Differences Between Expected and Actual Experience		(28,016)	1,814,336	(29,828)	0
Changes of Assumptions		(187,044)	306,886	(233,084)	0
Benefit Payments		(281,328)	(276,678)	(244,700)	(214,280)
Implicit Rate Subsidy Credit		(546,439)	(270,562)	(270,061)	(254,930)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Change in Total OPEB Liability	\$	(214,573)	\$ 2,219,166	\$ (141,254)	\$ 149,637
Total OPEB Liability - Beginning of Year		<u>8,693,052</u>	<u>6,473,886</u>	<u>6,615,140</u>	<u>6,465,503</u>
Total OPEB Liability - End of Year (a)	\$	8,478,479	\$ 8,693,052	\$ 6,473,886	\$ 6,615,140
<u>Plan Fiduciary Net Position</u>					
Net Investment Income	\$	378,904	\$ 473,144	\$ (110,318)	\$ 167,459
Contributions					
Employer - District's Contribution		391,334	376,674	294,698	256,280
Employer - Implicity Subsidy		546,439	270,562	270,061	254,930
Benefit Payments, Including Refunds of Employee Contributions		(281,328)	(276,678)	(244,700)	(214,280)
Implicit Rate Subsidy Fulfilled		(546,439)	(270,562)	(270,061)	(254,930)
Administrative Expense		(1,353)	(1,209)	(557)	(519)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Change in Plan Fiduciary Net Position	\$	487,557	\$ 571,931	\$ (60,877)	\$ 208,940
Plan Fiduciary Net Position - Beginning of Year		<u>2,717,465</u>	<u>2,145,534</u>	<u>2,206,411</u>	<u>1,997,471</u>
Plan Fiduciary Net Position - End of Year (b)	\$	3,205,022	\$ 2,717,465	\$ 2,145,534	\$ 2,206,411
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
District's Net OPEB liability - End of Year = (a) -(b)	\$	5,273,457	\$ 5,975,587	\$ 4,328,352	\$ 4,408,729
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		37.8%	31.3%	33.1%	33.4%
Covered Employee Payroll	\$	7,149,490	\$ 7,604,103	\$ 7,400,587	\$ 7,202,518
District's Net OPEB Liability as a Percentage of Covered-Employee Payroll		73.76%	78.58%	58.49%	61.21%

Notes to Schedule: The District adopted GASB 75 for the fiscal Year Ending December 31,2018

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2021 and 2020

Other Post Employment Benefits - Schedule of Investment Returns

	Measurement Date: December 31,	2020	2019	2018	2017
	Report Date: December 31,	2021	2020	2019	2018
Annual Money-Weighted Rate of Return, Net of Investment Expense		13.67%	21.56%	-4.94%	8.30%

The annual money-weighted rate of return, net of investment expenses, is the net investment income for the year divided by the average net position for the year (less investment expenses).

Notes to Schedule: The District adopted GASB 75 for the fiscal Year Ending December 31, 2018

Other Post Employment Benefits - Schedule of Contributions

	Measurement Date: December 31,	2020	2019	2018	2017
	Report Date: December 31,	2021	2020	2019	2018
Actuarially Determined Contribution		\$ 827,767	\$ 532,225	\$ 614,761	\$ 569,210
Less: Actual Contributions		937,773	647,236	564,759	511,210
Contribution Deficiency (Excess)		<u>\$ (110,006)</u>	<u>\$ (115,011)</u>	<u>\$ 50,002</u>	<u>\$ 58,000</u>
Covered - Employee Payroll		\$ 7,149,490	\$ 7,604,103	\$ 7,400,587	\$ 7,202,518
Contributions as a Percentage of Covered-Employee Payroll		13.12%	8.51%	7.63%	7.10%

Notes to Schedule: The District adopted GASB 75 for the fiscal Year Ending December 31, 2018

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2021 and 2020

Other Post Employment Benefits - Actuarial Assumptions

Actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2021 were from the December 21, 2020 valuation.

Methods and assumptions used to determine contributions:

Assumptions and Methods

Actuarial Cost Method	Entry age normal, level percent of pay
Amortization Method	Closed period, level percent of pay
Amortization Period	20 years
Inflation	2.50%
Assumed Payroll Growth Year 1	2.750%
Healthcare Trend Rates	6.50%, trending down to 4.04% over 55 years
Rate of Return on Assets	7.61%
Discount Rate used to measure total OPEB liability	7.61%
Mortality Rate	CalPERS Rates utilizing the decrement table Mort and Disb Rates_PA Misc from the CalPERS OPEB assumption model revised May 14, 2018.
Retirement Rates	CalPERS Rates based on CalPERS assumption model revised May 14, 2018 for the periods 1997 through 2017.



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Photo: December 2021 Storm Damage & Lineman Crew (California declared a State of Emergency)

SUPPLEMENTARY INFORMATION

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

SUPPLEMENTARY INFORMATION

December 31, 2021

CONSOLIDATING STATEMENT OF NET POSITION – PAGE 1 OF 2

As of December 31, 2021

			Component Units		Eliminations	Totals
	Electric Operations	Water Operations	Gray's Crossing	Old Greenwood		
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
CURRENT ASSETS						
Cash and cash equivalents						
Operating	\$ 5,836,009	\$ 1,270,587	\$ 162,352	\$ 288,396	\$ -	\$ 7,557,344
Designated	14,095,788	1,847,993	-	-	-	15,943,781
Restricted	1,069,081	3,412,710	2,326,530	-	-	6,808,321
Total cash and cash equivalents	21,000,878	6,531,290	2,488,882	288,396	-	30,309,446
Accounts receivable, net	1,509,454	801,553	-	-	-	2,311,007
Unbilled revenues	2,458,663	1,012,513	-	-	-	3,471,176
Special assessments receivable	-	10,605	6,916,819	814,811	-	7,742,235
Accrued interest receivable	15,526	8,781	4,444	313	-	29,064
Materials and supplies	780,434	224,999	-	-	-	1,005,433
Prepaid expenses	465,391	426,663	-	-	-	892,054
Other	65,847	70,242	-	-	-	136,089
Total Current Assets	26,296,193	9,086,646	9,410,145	1,103,520	-	45,896,504
NON-CURRENT ASSETS						
Operating investments	-	3,966,836	-	-	-	3,966,836
Designated investments	5,848,933	-	-	-	-	5,848,933
Broadband maintenance prepaid	124,461	-	-	-	-	124,461
Capital Assets						
Utility plant	91,251,171	128,649,824	-	-	-	219,900,995
Accumulated depreciation	(33,394,798)	(59,356,101)	-	-	-	(92,750,899)
Construction work in progress	3,636,761	2,096,139	-	-	-	5,732,900
Total capital assets	61,493,134	71,389,862	-	-	-	132,882,996
Total Non-Current Assets	67,466,528	75,356,698	-	-	-	142,823,226
TOTAL ASSETS	93,762,721	84,443,344	9,410,145	1,103,520	-	188,719,730
DEFERRED OUTFLOWS OF RESOURCES						
Pension	1,619,627	1,079,751	-	-	-	2,699,378
OPEB	1,498,049	998,700	-	-	-	2,496,749
Unamortized loss on refunding	-	445,570	-	-	-	445,570
Unamortized redemption premium on refunding	13,630	-	-	-	-	13,630
Total deferred outflows of resources	3,131,306	2,524,021	-	-	-	5,655,327
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 96,894,027	\$ 86,967,365	\$ 9,410,145	\$ 1,103,520	\$ -	\$ 194,375,057

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

SUPPLEMENTARY INFORMATION

December 31, 2021

CONSOLIDATING STATEMENT OF NET POSITION – PAGE 2 OF 2

As of December 31, 2021

	Component Units						Totals
	Electric Operations	Water Operations	Gray's	Crossing	Old Greenwood	Eliminations	
NET POSITION AND LIABILITIES							
CURRENT LIABILITIES							
Other liabilities							
Accounts payable	\$ 3,505,314	\$ 154,301	\$ -	\$ -	\$ -	\$ -	\$ 3,659,615
Customer deposits	256,876	62,029	-	-	-	-	318,905
Other	1,220,286	350,237	-	-	-	-	1,570,523
Total other liabilities	<u>4,982,476</u>	<u>566,567</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,549,043</u>
Current liabilities payable from restricted assets:							
Current portion of long-term debt	551,750	630,000	1,050,000	484,500	-	-	2,716,250
Accrued interest payable	587	50,492	504,505	110,635	-	-	666,219
Total Current Liabilities Payable from Restricted Assets	<u>552,337</u>	<u>680,492</u>	<u>1,554,505</u>	<u>595,135</u>	<u>-</u>	<u>-</u>	<u>3,382,469</u>
Total Current Liabilities	<u>5,534,813</u>	<u>1,247,059</u>	<u>1,554,505</u>	<u>595,135</u>	<u>-</u>	<u>-</u>	<u>8,931,512</u>
NON-CURRENT LIABILITIES							
Long-term debt, net of discounts and premiums	-	10,391,987	26,413,922	7,455,800	-	-	44,261,709
Net pension liability	4,610,362	3,073,575	-	-	-	-	7,683,937
OPEB liability	3,164,074	2,109,383	-	-	-	-	5,273,457
Unearned revenues	2,688,132	1,162,002	1,327,865	405,405	-	-	5,583,404
Total non-current liabilities	<u>10,462,568</u>	<u>16,736,947</u>	<u>27,741,787</u>	<u>7,861,205</u>	<u>-</u>	<u>-</u>	<u>62,802,507</u>
Total Liabilities	<u>15,997,381</u>	<u>17,984,006</u>	<u>29,296,292</u>	<u>8,456,340</u>	<u>-</u>	<u>-</u>	<u>71,734,019</u>
DEFERRED INFLOWS OF RESOURCES							
Pension	4,318,081	2,878,720	-	-	-	-	7,196,801
OPEB	378,369	252,246	-	-	-	-	630,615
Total deferred inflow s of resources	<u>4,696,450</u>	<u>3,130,966</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,827,416</u>
NET POSITION							
Net investment in capital assets	61,480,384	60,813,445	(27,463,922)	(7,940,300)	-	-	86,889,607
Restricted	1,068,491	3,351,806	2,828,679	-	-	-	7,248,976
Unrestricted	13,651,321	1,687,142	4,749,096	587,480	-	-	20,675,039
Total Net Position	<u>76,200,196</u>	<u>65,852,393</u>	<u>(19,886,147)</u>	<u>(7,352,820)</u>	<u>-</u>	<u>-</u>	<u>114,813,622</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 96,894,027</u>	<u>\$ 86,967,365</u>	<u>\$ 9,410,145</u>	<u>\$ 1,103,520</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,375,057</u>

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

SUPPLEMENTARY INFORMATION

December 31, 2021

CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Year Ended December 31, 2021

	Component Units					Eliminations	Totals
	Electric Operations	Water Operations	Gray's Crossing	Old Greenwood			
OPERATING REVENUES							
Sales to customers	\$ 26,884,635	14,950,899	\$ -	\$ -	\$ -	\$ -	\$ 41,835,534
Interdepartmental sales	1,269,772	2,774	-	-	(1,272,546)	-	-
Standby fees	17,450	106,680	-	-	-	-	124,130
Cap and trade proceeds	847,185	-	-	-	-	-	847,185
Other	871,093	359,057	-	-	(536,532)	-	693,618
Total Operating Revenues	<u>29,890,135</u>	<u>15,419,410</u>	<u>-</u>	<u>-</u>	<u>(1,809,078)</u>	<u>-</u>	<u>43,500,467</u>
OPERATING EXPENSES							
Purchased power	13,560,417	-	-	-	-	-	13,560,417
Operations and maintenance	7,947,145	5,789,587	-	-	(1,272,546)	-	12,464,186
Consumer services	1,454,859	800,994	-	-	-	-	2,255,853
Administration and general	3,757,511	3,145,900	-	-	(536,532)	-	6,366,879
Depreciation	3,377,198	4,540,752	-	-	-	-	7,917,950
Total Operating Expenses	<u>30,097,130</u>	<u>14,277,233</u>	<u>-</u>	<u>-</u>	<u>(1,809,078)</u>	<u>-</u>	<u>42,565,285</u>
Operating Income	(206,995)	1,142,177	-	-	-	-	935,182
NON-OPERATING REVENUE (EXPENSES)							
Special tax revenue	-	-	2,630,579	800,595	-	-	3,431,174
Investment income (loss)	(188,631)	(11,648)	14,957	53	-	-	(185,269)
Interest expense	(1,158)	(476,604)	(1,547,571)	(344,300)	-	-	(2,369,633)
Amortization	(27,261)	(5,784)	(5,205)	-	-	-	(38,250)
Other non-operating revenues	-	-	62,114	21,410	-	-	83,524
Other non-operating expenses	-	-	(79,025)	-	-	-	(79,025)
Gain (loss) on disposition of assets	53,215	(4,876)	-	-	-	-	48,339
Total Non-Operating Revenue (Expenses)	<u>(163,835)</u>	<u>(498,912)</u>	<u>1,075,849</u>	<u>477,758</u>	<u>-</u>	<u>-</u>	<u>890,860</u>
Income Before Contributions	(370,830)	643,265	1,075,849	477,758	-	-	1,826,042
CAPITAL & OTHER CONTRIBUTIONS, net							
Capital Contributions	4,069,942	2,281,732	-	-	-	-	6,351,674
Intercompany Debt Service - Pension Sidefund	384,430	(384,430)	-	-	-	-	-
Total Capital and Other Contributions, net	<u>4,454,372</u>	<u>1,897,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,351,674</u>
CHANGE IN NET POSITION	4,083,542	2,540,567	1,075,849	477,758	-	-	8,177,716
NET POSITION - Beginning of Year	<u>72,116,654</u>	<u>63,311,826</u>	<u>(20,961,996)</u>	<u>(7,830,578)</u>	<u>-</u>	<u>-</u>	<u>106,635,906</u>
NET POSITION - END OF YEAR	<u>\$ 76,200,196</u>	<u>\$ 65,852,393</u>	<u>\$ (19,886,147)</u>	<u>\$ (7,352,820)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,813,622</u>

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TRUCKEE DONNER PUBLIC UTILITY DISTRICT

SUPPLEMENTARY INFORMATION

December 31, 2021

CONSOLIDATING STATEMENT OF CASH FLOWS – PAGE 1 OF 2

For the Year Ended December 31, 2021

	Component Units					Total
	Electric Operations	Water Operations	Gray's Crossing	Old Greenw ood	Eliminations	
CASH FLOWS FROM OPERATING ACTIVITIES						
Received from customers	\$ 29,937,764	\$ 14,848,385	\$ -	\$ -	\$ (1,809,078)	\$ 42,977,071
Paid to suppliers for goods and services	(19,536,785)	(6,742,038)	-	(53,323)	1,809,078	(24,523,068)
Paid to employees for services	(5,615,596)	(2,776,152)	-	-	-	(8,391,748)
Net Cash Flow s from Operating Activities	<u>4,785,383</u>	<u>5,330,195</u>	<u>-</u>	<u>(53,323)</u>	<u>-</u>	<u>10,062,255</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Principal payments on long-term debt	(1,051,191)	-	-	-	-	(1,051,191)
Interest payments on long-term debt	(32,555)	-	-	-	-	(32,555)
Net Cash Flow s from Noncapital Financing Activities	<u>(1,083,746)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,083,746)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital expenditures for utility plant	(3,712,667)	(2,654,630)	-	-	-	(6,367,297)
Cost of disposal of property net of salvage	(171,597)	(4,991)	-	-	-	(176,588)
Capital contributions, connection and facility fees	1,058,774	1,099,616	-	-	-	2,158,390
Special assessments receipts	-	773,116	-	-	-	773,116
Special tax receipts	-	-	2,317,970	821,290	-	3,139,260
Restricted grant funds received	-	300,000	-	-	-	300,000
Principal payments on long-term debt	-	(5,557,407)	(950,000)	(444,800)	-	(6,952,207)
Interest payments on long-term debt	31,413	(502,856)	(1,564,598)	(350,497)	-	(2,386,538)
Cash Flow s From Capital and Related Financing Activities	<u>(2,794,077)</u>	<u>(6,547,152)</u>	<u>(196,628)</u>	<u>25,993</u>	<u>-</u>	<u>(9,511,864)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of investments	(6,008,061)	(4,006,618)	-	-	-	(10,014,679)
Proceeds from maturity of investments	-	1,698,882	-	-	-	1,698,882
Interest income received	97,651	98,404	15,233	3,831	-	215,119
Cash Flow s from Investing Activities	<u>(5,910,410)</u>	<u>(2,209,332)</u>	<u>15,233</u>	<u>3,831</u>	<u>-</u>	<u>(8,100,678)</u>
Net Change in Cash and Cash Equivalents	(5,002,850)	(3,426,289)	(181,395)	(23,499)	-	(8,634,033)
CASH AND CASH EQUIVALENTS – Beginning of Year	<u>26,036,265</u>	<u>9,965,051</u>	<u>2,670,277</u>	<u>311,895</u>	<u>-</u>	<u>38,983,488</u>
CASH AND CASH EQUIVALENTS – END OF YEAR	<u>\$ 21,033,415</u>	<u>\$ 6,538,762</u>	<u>\$ 2,488,882</u>	<u>\$ 288,396</u>	<u>\$ -</u>	<u>\$ 30,349,455</u>

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

SUPPLEMENTARY INFORMATION

December 31, 2021

CONSOLIDATING STATEMENT OF CASH FLOWS – PAGE 2 OF 2

For the Year Ended December 31, 2021

			Component Units				
	Electric Operations	Water Operations	Gray's Crossing	Old Greenwood	Eliminations		
RECONCILIATION OF OPERATING INCOME TO NET CASH							
FLOWS FROM OPERATING ACTIVITIES							
Operating income	\$ (206,995)	\$ 1,142,177	\$ -	\$ -	\$ -	\$ -	\$ 935,182
Noncash items included in operating income							
Depreciation and amortization	3,377,198	4,540,752	-	-	-	-	7,917,950
Depreciation charged to other accounts	263,031	170,420	-	-	-	-	433,451
Intercompany Transfer	384,430	(384,430)	-	-	-	-	-
Accounts receivable	(240,972)	(160,462)	-	-	-	-	(401,434)
Materials and supplies	(66,868)	(32,017)	-	-	-	-	(98,885)
Prepaid expenses	(99,479)	(120,751)	-	-	-	-	(220,230)
Accounts payable	711,415	52,917	-	(53,323)	-	-	711,009
Customer deposits	(95,829)	(26,132)	-	-	-	-	(121,961)
Deferred Pension Contributions - GASB 68	274,512	183,006	-	-	-	-	457,518
Other current liabilities	484,940	(35,285)	-	-	-	-	449,655
	<u>4,785,383</u>	<u>5,330,195</u>	<u>-</u>	<u>(53,323)</u>	<u>-</u>	<u>-</u>	<u>10,062,255</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 4,785,383	\$ 5,330,195	\$ -	\$ (53,323)	\$ -	\$ -	\$ 10,062,255
RECONCILIATION OF CASH AND CASH EQUIVALENTS							
TO THE BALANCE SHEET							
Operating cash funds - current	5,836,009	1,270,587	162,352	288,396	\$ -	\$ -	\$ 7,557,344
Designated cash funds - current	14,095,788	1,847,993	-	-	-	-	15,943,781
Restricted cash funds - current	1,069,081	3,412,710	2,326,530	-	-	-	6,808,321
Operating investments - non-current	-	3,966,836	-	-	-	-	3,966,836
Designated investments - non-current	5,848,933	-	-	-	-	-	5,848,933
Total Cash and Investments	<u>26,849,811</u>	<u>10,498,126</u>	<u>2,488,882</u>	<u>288,396</u>	<u>-</u>	<u>-</u>	<u>40,125,215</u>
Less: Long-term investments	(6,008,061)	(4,006,618)	-	-	-	-	(10,014,679)
Mark to market adjustment	191,665	47,254	-	-	-	-	238,919
	<u>21,033,415</u>	<u>6,538,762</u>	<u>2,488,882</u>	<u>288,396</u>	<u>-</u>	<u>-</u>	<u>30,349,455</u>
TOTAL CASH AND CASH EQUIVALENTS	\$ 21,033,415	\$ 6,538,762	\$ 2,488,882	\$ 288,396	\$ -	\$ -	\$ 30,349,455