June Lake Public Utility District

Management Report

June 30, 2025

June Lake Public Utility District

Management Report

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Board of Directors
June Lake Public Utility District
June Lake, California

Dear Members of the Board:

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*. The future event or events are likely to occur.

We consider the following deficiency in internal control to be material weaknesses.

Payroll

During the course of our audit, our testing revealed that supervisory approval of employee timesheets is not occurring on a consistent basis. In a sample of 5 timesheets, 5 or 100% (5 timesheets, 5 or 100% for the fiscal year 2024 audit) did not contain evidence of review and approval by the employee's direct supervisor or department manager. In addition, there is no documented policy or procedure requiring such approval, and the current payroll system does not enforce an approval workflow.

The absence of independent supervisory review represents a material weakness in the payroll process, as it removes a key detective control designed to prevent or detect errors or irregularities in recorded hours, overtime, leave usage, or potential fraudulent activity.

Payroll, continued

Management should immediately implement the following:

- A written policy mandating supervisory approval of all timesheets before payroll processing.
- Use of an electronic timekeeping system with mandatory approval routing, or a manual sign-off procedure with secondary review by the Payroll Department for any missing approvals.
- Periodic monitoring by Human Resources or the General Manager to ensure compliance.

Accounts Payable

In our sample of 25 cash disbursements, we identified 12 instances or 48% (23 instances or 92% for the fiscal year 2024 audit) where invoices were paid without any documented evidence of review or approval by anyone other than the accounts payable clerk who processed the payment. In several cases, no approval was evident at all.

Generally accepted internal control principles require that invoices be subjected to independent review and approval process prior to payment to ensure validity, accuracy, and proper authorization. Currently, there is no enforced requirement or system control that prevents the release of payments without prior documented approval. The lack of invoice approval increases the risk of fraudulent, duplicate, or otherwise improper payments going undetected.

Management should immediately establish and communicate a formal invoice approval policy that includes minimum dollar thresholds and designed approvers by department or function. Additionally, the accounting system should be configured to prevent payment processing until electronic or documented approval has been obtained.

Comments and Recommendations

Disclosure of Audit Adjustments and Reclassification

As your external auditor, we assume that the books and records of the District are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America. For the Board of Trustees to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassification as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Trustees with a better understanding of the scope of the audit.

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the District's accounting system to close-out the District's year-end trial balance.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance the scope of our testing of internal control over financial reporting and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

C.J. Brown & Company, CPAs
Cypress, California
October 14, 2026

APPENDIX

June Lake Public Utility District

Audit/Finance Committee Letter

June 30, 2025

DRAFT

Board of Directors
June Lake Public Utility District
June Lake, California

We have audited the financial statements of the governmental activities and each major fund of the June Lake Public Utility District (District) for the year ended June 30, 2025, and have issued are report thereon dated October 14, 2026.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated February 20, 2026, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated October 14, 2026.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

Required Risk Assessment Procedures per Auditing Standards

As auditors of the District, we are required per AU-C Section 240, "Consideration of Fraud in a Financial Statement Audit", to "ordinarily" presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As of June 30, 2025, the District implemented the provisions of Govermental Accounting Standards Board (GASB) 101, *"Compensated Absences"*. There have been no initial selection of accounting policies and no other changes in significant accounting policies or their application during 2025. No other matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

Management's estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the defined benefit pension plan's deferred outflows of resources, net pension liability, and deferred inflows of resources are based on an actuarial valuation of these amounts which was conducted by a third-party actuary. We evaluated the basis, actuarial methods and assumptions used by the actuary to calculate these amounts for the District to determine that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

The disclosure of fair value of cash and cash equivalents in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

Qualitative Aspects of the Entity's Significant Accounting Practices, continued

Financial Statement Disclosures, continued

The disclosure of capital assets, net in Note 4 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the District's defined benefit pension plan in Note 7 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

Identified or Suspected Fraud

We have not identified or have not obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule on page 5 presents the material journal entries that we identified as a result of our audit procedures and were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated October 14, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis, Schedules of the District's Proportionate Share of the Net Pension Liability, and Schedules of Pension Plan Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Conclusion

We appreciate the cooperation extended to us by Juli Baldwin, Administrative Assistant, and Richard Martinez of Eide Bailly, in the performance of our audit testwork.

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

C.J. Brown & Company, CPAs
Cypress, California
October 14, 2026

June Lake Public Utility District
Schedule of Audit Adjusting Journal Entries
For Fiscal Year Ended June 30, 2025

Account	Description		Debit	Credit
Audit Adjusting Journal Entries JE # 1				
To recognized grant revenue at year-end.				
10-2285-000	Unearned Grant Revenue	$	80,600.00	
10-4810-000	Other Grant Revenue			80,600.00
Audit Adjusting Journal Entries JE # 2				
To reverse prior year end accrual at year-end.				
20-2020-000	Accounts Payable		11,239.00	
20-5440-310	Contractual Services			11,239.00
Audit Adjusting Journal Entries JE # 3				
To adjust compensated absences at year-end.				
10-2282-000	Accrued Vac & Sick Leave		3,796.69	
20-2282-000	Accrued Vac & Sick Leave		3,796.69	
10-6100-112	Vac/Hol/SL			3,796.69
20-6100-112	Vac/Hol/SL	$		3,796.69

June Lake Public Utility District
Schedule of Client Adjusting Journal Entries
For Fiscal Year Ended June 30, 2025

Account	Description		Debit	Credit
Client Adjusting Journal Entries JE # 1				
To reconcile internal payroll clearing funds at year-end.				
71-2010-000	Checks Payable	$	138.50	
71-2261-000	State Income Tax Withholding		1,876.98	
71-2262-000	State SDI Tax Withholding		16.52	
71-2265-000	CalPers Withholding		366.65	
71-2266-000	Health Insurance Withholding		80.36	
71-2269-000	Local 12 Withholding		132.00	
73-2010-000	Checks Payable		11,310.67	
71-1001-000	Cash - Eastern Sierra Bank			2,611.01
73-1001-000	Cash - Eastern Sierra Bank			11,310.67
Client Adjusting Journal Entries JE # 2				
To adjust customer refunds with closed accounts.				
10-4332-000	Other Serv Chgs		730.87	
10-2125-000	Refunds Payable			730.87
Client Adjusting Journal Entries JE # 3				
To reclass WWTP - CPO Services from admin expense.				
10-5330-310	Contractual Services		21,255.75	
10-6100-310	Contractual Services	$		21,255.75



June Lake Public Utility District
Annual Financial Report
For the Fiscal Years Ended
June 30, 2025 and 2024

June Lake Public Utility District

Board of Directors as of June 30, 2025

Name	Title	Elected/ Appointed	Current Term
Bill Hunt	President	Appointed	11/2028
Mark Fogg	Vice President	Appointed	11/2028
Sarah Minich	Director	Appointed	11/2028
Coral Taylor	Director	Appointed	11/2028
Travis Wallentine	Director	Appointed	11/2026

June Lake Public Utility District
Todd M. Kidwell, General Manager
2380 Highway 158
June Lake, California 93529
(760) 648-7778

June Lake Public Utility District
Annual Financial Report
For the Fiscal Years Ended June 30, 2025 and 2024

June Lake Public Utility District
Annual Financial Report
For the Fiscal Years Ended June 30, 2025 and 2024

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Financial Section

Independent Auditor's Report

Board of Directors
June Lake Public Utility District
June Lake, California

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the business-type activities, governmental fund type activities, and each major fund of June Lake Public Utility District (District) as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, governmental fund type activities and each major fund of June Lake Public Utility District, as of June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 management's discussion and analysis on pages 4 through 7, and the required supplementary information on pages 46 through 49, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 50 and 51.

C.J. Brown & Company, CPAs
Cypress, California
October 14, 2026

June Lake Public Utility District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2025 and 2024

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the June Lake Public Utility District (District) provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

Financial Highlights

- The District's net position increased 0.26% or $17,629 to $6,776,706.
- Total revenues decreased 11.04% or $296,703 to $2,390,409. Total operating revenues decreased 3.89% or $46,863 to $1,156,444. Total non-operating revenues decreased 16.84% or $249,840 to $1,233,965.
- Total expenses increased 0.20% or $5,016 to $2,554,130.

Required Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the District's investments in resources (assets and deferred outflows of resources) and obligations to creditors (liabilities and deferred inflows of resources). It also provides the basis for computing a rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statement of Activities. This statement measures the success of the District's operations over the past year and can be used to determine the District's profitability and credit worthiness.

Government-wide Financial Statements

Statement of Net Position and Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the District in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid. These two statements report the District's *net position* and changes in it. Think of the District's net position – the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources – as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position is one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in the District's property tax base and the types of grants the District applies for to assess the *overall financial health* of the District.

Fund Financial Statements

Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 24 through 45.

Government-wide Financial Analysis

Statements of Net Position

The following table is a summary of the statements of net position at June 30, 2025 and 2024:

Condensed Statements of Net Position

	Business-type Activities		Governmental Activities		Total District	
	2025	2024	2025	2024	2025	2024
Assets:						
Current assets	$ 2,580,635	3,070,919	181,585	169,087	2,762,220	3,240,006
Non-current assets	1,875,672	1,814,583	-	-	1,875,672	1,814,583
Capital assets, net	4,157,092	3,686,726	-	-	4,157,092	3,686,726
Total assets	8,613,399	8,572,228	181,585	169,087	8,794,984	8,741,315
Deferred outflows of resources	510,060	647,572	660,549	-	1,170,609	647,572
Liabilities:						
Current liabilities	232,641	228,096	1,599	-	234,240	228,096
Non-current liabilities	1,731,484	1,798,578	-	-	1,731,484	1,798,578
Total liabilities	1,964,125	2,026,674	1,599	-	1,965,724	2,026,674
Deferred inflows of resources	562,614	603,136	-	-	562,614	603,136
Net position:						
Net investment in capital assets	4,157,092	3,686,726	-	-	4,157,092	3,686,726
Restricted	2,185,201	2,765,775	179,986	169,087	2,365,187	2,934,862
Unrestricted (deficit)	254,427	137,489	-	-	254,427	137,489
Total net position	$ 6,596,720	6,589,990	179,986	169,087	6,776,706	6,759,077

Government-wide Financial Analysis, continued

Statements of Net Position, continued

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by $6,776,706 and $6,759,077 as of June 30, 2025 and 2024, respectively. Compared to prior year, net position of the District increased by 0.26% or $17,629. The District's total net position is made up of three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

By far the largest portion of the District's net position (61.34% and 54.54% as of June 30, 2025 and 2024, respectively) A portion of the District's net position reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are *not* available for future spending. At the end of fiscal year 2025, and 2024, the District showed a positive (deficit) balance in its unrestricted net position of $17,629 and $137,998, respectively. See note 7 for further discussion.

Statement of Activities

The following table is a summary of the statements of activities for the years ended June 30, 2025 and 2024:

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	Business-type Activities		Governmental Activities		Total District	
	2025	2024	2025	2024	2025	2024
Revenues:						
Operating revenues	$ 1,156,444	1,203,307	-	-	1,156,444	1,203,307
Non-operating revenues	1,188,940	1,444,884	45,026	38,921	1,233,966	1,483,805
Total revenues	2,345,384	2,648,191	45,026	38,921	2,390,410	2,687,112
Expenses:						
Operating expenses	2,188,646	2,207,328	19,878	11,052	2,208,524	2,218,380
Depreciation	345,607	330,734	-		345,607	330,734
Total expenses	2,534,253	2,538,062	19,878	11,052	2,554,131	2,549,114
Capital contributions	181,350	-	-	-	181,350	-
Transfers from (to) other fund	14,249	(141,218)	(14,249)	141,218	-	-
Changes in net position	6,730	(31,089)	10,899	169,087	17,629	137,998
Net position, beginning of year	6,589,990	6,621,079	169,087	-	6,759,077	6,621,079
Net position, end of year	$ 6,596,720	6,589,990	179,986	169,087	6,776,706	6,759,077

The statement of revenues, expenses, and changes in net position shows how the District's net position changed during the fiscal years.

A closer examination of the sources of changes in net position reveals that the District's net position increased 0.26% or $17,629 from $6,759,077 to $6,776,706, primarily due to an increase in ongoing operations. Please see Note 9 for further discussion.

The District's total revenues decreased 11.04% or $296,703 to $2,390,409.

Statement of Activities, continued

Operating revenues decreased 3.89% or $46,863 to $1,156,444, due primarily to decreases of $25,738, and $21,125 in charges for services – sewer, and charges for services – water, respectively. Non-operating revenues decreased 16.84% or $249,840 to $1,233,965, due primarily to a decrease of $263,976 in miscellaneous revenues as a result of USFS improvement reimbursement in fiscal year 2024.

The District's total expenses increased 0.20% or $5,016 to $2,554,130.

Governmental Activities Budgetary Highlights

The final actual expenditures for the year ended June 30, 2025, were greater than budgeted by $11,052. Actual revenues for the year ended June 30, 2025, were greater than the anticipated budget by $38,921. At June 30, 2024, there were no differences between the original and final amended budgets. (See Budgetary Comparison Schedule for the General Fund and Illumination Fund under Required Supplementary Information section on page 46).

Capital Asset Administration

Changes in capital assets for 2025, were as follows:

	Balance 2024	Additions/ Transfers	Deletions/ Transfers	Balance 2025
Non-depreciable assets	$ 37,430	-	-	37,430
Depreciable assets	15,532,295	815,973	-	16,348,268
Accumulated depreciation	(11,882,999)	(345,607)	-	(12,228,606)
Total capital assets, net	$ 3,686,726	470,366	-	4,157,092

Changes in capital assets for 2024, were as follows:

	Balance 2023	Additions/ Transfers	Deletions/ Transfers	Balance 2024
Non-depreciable assets	$ 37,430	-	-	37,430
Depreciable assets	15,178,783	353,512	-	15,532,295
Accumulated depreciation	(11,552,266)	(330,733)	-	(11,882,999)
Total capital assets, net	$ 3,663,947	22,779	-	3,686,726

At the end of fiscal year 2025 and 2024, the District's investment in capital assets amounted to $4,157,092, and $3,686,726 (net of accumulated depreciation), respectively. These investment in capital assets include the water facility, sewer facility, water general plant and sewer general plant. Please see Note 4 for further discussion.

Conditions Affecting Current Financial Position

Management does not foresee any conditions which could have a significant impact on the District's current financial position, net position, or operating results in terms of past, present, and future.

Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders, and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's General Manager at 2380 Highway 158, June Lake, California 93529.

Basic Financial Statements

June Lake Public Utility District
Statement of Net Position
June 30, 2025

	Business-type Activities	Governmental Activites	Total
Current assets:			
Cash and cash equivalents (note 2)	$ 152,166	1,235	153,401
Cash and cash equivalents – restricted (note 2)	2,185,201	177,325	2,362,526
Accounts receivable - water	63,135	-	63,135
Accounts receivable - sewer	47,884	-	47,884
Grants receivable	80,600	-	80,600
Lease receivable - current (note 3)	2,743	-	2,743
Property tax receivable	24,895	916	25,811
Accrued interest receivable	24,011	2,109	26,120
Total current assets	2,580,635	181,585	2,762,220
Non-current assets:			
Investments (note 2)	1,289,583	-	1,289,583
Lease receivable - non-current (note 3)	586,089	-	586,089
Capital assets, not being depreciated (note 4)	37,430	-	37,430
Capital assets, being depreciated, net (note 4)	4,119,662	-	4,119,662
Total non-current assets	6,032,764	-	6,032,764
Total assets	8,613,399	181,585	8,794,984
Deferred outflows of resources:			
Deferred pension outflows (note 7)	510,060	-	510,060
Total deferred outflows of resources	$ 510,060	-	510,060

Continued on next page

See accompanying notes to the basic financial statements

June Lake Public Utility District
Statement of Net Position, continued
June 30, 2025

	Business-type Activities	Governmental Activites	Total
Current liabilities:			
Accounts payable and accrued expenses	$ 95,827	-	95,827
Accrued wages and related payables	30,460	1,599	32,059
Customer advances and deposits	35,189	-	35,189
Long-term liabilities – due within one year:			
Compensated absences (note 6)	71,165	-	71,165
Total current liabilities	232,641	1,599	234,240
Non-current liabilities:			
Long-term liabilities – due in more than one year:			
Compensated absences (note 6)	-	-	0
Net pension liability (note 7)	1,731,484	-	1,731,484
Total non-current liabilities	1,731,484	-	1,731,484
Total liabilities	1,964,125	1,599	1,965,724
Deferred inflows of resources:			
Deferred pension inflows (note 7)	48,015	-	48,015
Deferred lease inflows (note 3)	514,599	-	514,599
Total deferred inflows of resources	562,614	-	562,614
Net position: (note 9)			
Net investment in capital assets	4,157,092	-	4,157,092
Restricted	2,185,201	179,986	2,362,526
Unrestricted	254,427	-	257,088
Total net position	$ 6,596,720	179,986	6,776,706

See accompanying notes to the basic financial statements

June Lake Public Utility District
Statement of Activities
For the Fiscal Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense)Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense)Revenue and Changes in Net Position: Primary Government: Business-type Activities	2025
Governmental activities						
Mosquito	$ 19,878	-	-	(19,878)	-	(19,878)
Total governmental	19,878	-	-	(19,878)	-	(19,878)
Business-type activities						
Sewer	1,276,465	581,680	181,350	-	(513,435)	(513,435)
Water	1,257,788	574,764	-	-	(683,024)	(683,024)
Total business-type	2,534,253	1,156,444	181,350	-	(1,196,459)	(1,196,459)
Total	$ 2,554,131	1,156,444	181,350	(19,878)	(1,196,459)	(1,216,337)
	General revenues:					
	Property taxes			$ 35,428	979,894	1,015,322
	Cell tower income			-	14,520	14,520
	Interest revenue - leases			-	9,563	9,563
	Investment return			9,598	184,963	194,561
	Miscellaneous revenues			-	-	-
	Total general revenues			45,026	1,188,940	1,233,966
	Transfers (to)from other funds (note 5)			(14,249)	14,249	-
	Changes in net position			10,899	6,730	17,629
	Net position, beginning of year			169,087	6,589,990	6,759,077
	Net position, end of year			$ 179,986	6,596,720	6,776,706

See accompanying notes to the basic financial statements

June Lake Public Utility District
Statement of Net Position
June 30, 2024

	Business-type Activities	Governmental Activites	Total
Current assets:			
Cash and cash equivalents (note 2)	$ 149,148	-	149,148
Cash and cash equivalents – restricted (note 2)	2,765,775	169,087	2,934,862
Accounts receivable - water	61,449	-	61,449
Accounts receivable - sewer	44,556	-	44,556
Grants receivable	-	-	-
Lease receivable - current (note 3)	2,690	-	2,690
Property tax receivable	15,968	-	15,968
Accrued interest receivable	31,333	-	31,333
Total current assets	3,070,919	169,087	3,240,006
Non-current assets:			
Investments (note 2)	1,225,751	-	1,225,751
Lease receivable - non-current (note 3)	588,832	-	588,832
Capital assets, not being depreciated (note 4)	37,430	-	37,430
Capital assets, being depreciated, net (note 4)	3,649,296	-	3,649,296
Total non-current assets	5,501,309	-	5,501,309
Total assets	8,572,228	169,087	8,741,315
Deferred outflows of resources:			
Deferred pension outflows (note 7)	647,572	-	647,572
Total deferred outflows of resources	$ 647,572	-	647,572

Continued on next page

See accompanying notes to the basic financial statements

June Lake Public Utility District
Statement of Net Position, continued
June 30, 2024

	Business-type Activities	Governmental Activites	Total
Current liabilities:			
Accounts payable and accrued expenses	$ 51,872	-	51,872
Accrued wages and related payables	33,552	-	33,552
Customer advances and deposits	123,981	-	123,981
Long-term liabilities – due within one year:			
Compensated absences (note 6)	18,691	-	18,691
Total current liabilities	228,096	-	228,096
Non-current liabilities:			
Long-term liabilities – due in more than one year:			
Compensated absences (note 6)	56,072	-	56,072
Net pension liability (note 7)	1,742,506	-	1,742,506
Total non-current liabilities	1,798,578	-	1,798,578
Total liabilities	2,026,674	-	2,026,674
Deferred inflows of resources:			
Deferred pension inflows (note 7)	76,284	-	76,284
Deferred lease inflows (note 3)	526,852	-	526,852
Total deferred inflows of resources	603,136	-	603,136
Net position: (note 9)			
Net investment in capital assets	3,686,726	-	3,686,726
Restricted	2,765,775	169,087	2,934,862
Unrestricted	137,489	-	137,489
Total net position	$ 6,589,990	169,087	6,759,077

See accompanying notes to the basic financial statements

June Lake Public Utility District
Statement of Activities
For the Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense)Revenue and Changes in Net Position: Primary Government: Governmental Activities	Business-type Activities	2024
Governmental activities						
Mosquito	$ 11,052	-	-	(11,052)	-	(11,052)
Total governmental	11,052	-	-	(11,052)	-	(11,052)
Business-type activities						
Sewer	1,290,764	607,418	-	-	(683,346)	(683,346)
Water	1,247,298	595,889	-	-	(651,409)	(651,409)
Total business-type	2,538,062	1,203,307		-	(1,334,755)	(1,334,755)
Total	$ 2,549,114	1,203,307		(11,052)	(1,334,755)	(1,345,807)
	General revenues:					
	Property taxes			$ 34,474	940,840	975,314
	Cell tower income			-	14,013	14,013
	Interest revenue - leases			-	9,616	9,616
	Investment return			4,447	216,439	220,886
	Miscellaneous revenues			-	263,976	263,976
	Total general revenues			38,921	1,444,884	1,483,805
	Transfers from(to) other funds (note 5)			141,218	(141,218)	-
	Changes in net position			169,087	(31,089)	137,998
	Net position, beginning of year			-	6,621,079	6,621,079
	Net position, end of year			$ 169,087	6,589,990	6,759,077

See accompanying notes to the basic financial statements

June Lake Public Utility District
Balance Sheet and
Reconciliation of the Balance Sheet – Governmental Fund
to the Statement of Net Position
June 30, 2025

		2025	2024
Assets:			
Cash and cash equivalents	$	1,235	-
Cash and cash equivalents - restricted		177,325	169,087
Property tax receivable		916	
Accrued interest receivable		2,109	-
Total assets		181,585	169,087
Liabilities:			
Accrued wages and related payables		1,599	-
Total liabilities		1,599	-
Fund balance (note 8):			
Restricted		177,325	169,087
Unrestricted		2,661	-
Total fund balance		179,986	169,087
Total liabilities and fund balance	$	181,585	169,087
Reconciliation:			
Fund balance - Governmental Funds	$	179,986	169,087
Net position of Governmental Activities	$	179,986	169,087

See accompanying notes to the basic financial statements

June Lake Public Utility District
Statement of Revenues, Expenditures, and Changes in Fund Balance and Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds to the Statement of Activities
June 30, 2025

		2025	2024
Revenues:			
Property taxes	$	35,428	34,474
Investment return		9,598	4,447
Total revenues		45,026	38,921
Expenditures:			
Salaries and benefits		5,551	11,052
Professional services		718	-
Small tools and supplies		12,960	-
Dues and subscriptions		649	
Total expenditures		19,878	11,052
Excess of revenues over expenditures		25,148	27,869
Other financing sources(uses):			
Operating transfers in(out) (note 5)		(14,249)	141,218
Net change in fund balance		10,899	169,087
Fund balance, beginning of year		169,087	-
Fund balance, end of year	$	179,986	169,087

Continued on next page

See accompanying notes to the basic financial statements

Reconciliation:			
Net Change in Fund Balance – Governmental Fund	$	10,899	169,087
Changes in net position of Governmental Activities	$	10,899	169,087

See accompanying notes to the basic financial statements

June Lake Public Utility District
Statement of Net Position – Enterprise Fund
June 30, 2025

	Sewer Fund	Water Fund	Total
Current assets:			
Cash and cash equivalents	$ 31,204	120,962	152,166
Cash and cash equivalents – restricted	574,033	1,611,168	2,185,201
Accounts receivable - water	-	63,135	63,135
Accounts receivable - sewer	47,884	-	47,884
Grants receivable	80,600	-	80,600
Lease receivable - current	2,743	-	2,743
Property tax receivable	12,447	12,448	24,895
Accrued interest receivable	7,208	16,803	24,011
Total current assets	756,119	1,824,516	2,580,635
Non-current assets:			
Investments	1,289,583	-	1,289,583
Lease receivable - non-current	586,089	-	586,089
Capital assets, not being depreciated	37,430	-	37,430
Capital assets, being depreciated, net	1,231,800	2,887,862	4,119,662
Total non-current assets	3,144,902	2,887,862	6,032,764
Total assets	3,901,021	4,712,378	8,613,399
Deferred outflows of resources:			
Deferred pension outflows	255,030	255,030	510,060
Total deferred outflows of resources	$ 255,030	255,030	510,060

Continued on next page

June Lake Public Utility District
Statement of Net Position – Enterprise Fund, continued
June 30, 2025

	Sewer Fund	Water Fund	Total
Current liabilities:	$		
Accounts payable and accrued expenses	36,038	59,789	95,827
Accrued wages and related payables	16,423	14,037	30,460
Customer advances and deposits	35,189	-	35,189
Long-term liabilities – due within one year:			
Compensated absences	35,583	35,582	71,165
Total current liabilities	123,233	109,408	232,641
Non-current liabilities:			
Long-term liabilities – due in more than one year:			
Net pension liability	865,742	865,742	1,731,484
Total non-current liabilities	865,742	865,742	1,731,484
Total liabilities	988,975	975,150	1,964,125
Deferred inflows of resources:			
Deferred pension inflows	24,007	24,008	48,015
Deferred lease inflows	514,599	-	514,599
Total deferred inflows of resources	538,606	24,008	562,614
Net position:			
Net investment in capital assets	1,269,230	2,887,862	4,157,092
Restricted	574,033	1,611,168	2,185,201
Unrestricted	785,207	(530,780)	254,427
Total net position	$ 2,628,470	3,968,250	6,596,720

June Lake Public Utility District
Statement of Revenues, Expenses, and Changes in Net Position – Enterprise Fund
For the Year Ended June 30, 2025

	Sewer Fund	Water Fund	Total
Operating revenues:			
Charges for services - sewer	$ 581,680	-	581,680
Charges for services - water	-	574,764	574,764
Total operating revenues	581,680	574,764	1,156,444
Operating expenses:			
Salaries and benefits	638,276	546,796	1,185,072
Professional services	230,457	193,527	423,984
Utilities	96,797	49,694	146,491
Small tools and supplies	107,729	91,338	199,067
Dues and subscriptions	61,754	44,556	106,310
Communication and travel	30,172	31,938	62,110
Insurance	21,996	18,792	40,788
Maintenance and repairs	2,369	2,369	4,738
Office expenses	9,996	10,090	20,086
Total operating expenses	1,199,546	989,100	2,188,646
Operating loss before depreciation	(617,866)	(414,336)	(1,032,202)
Depreciation	(76,919)	(268,688)	(345,607)
Operating loss	(694,785)	(683,024)	(1,377,809)
Non-operating revenue(expense)			
Property taxes	497,641	482,253	979,894
Cell tower income	14,520	-	14,520
Interest revenue - leases	9,563	-	9,563
Investment return	116,293	68,670	184,963
Total non-operating revenues, net	638,017	550,923	1,188,940
Net loss before capital contributions	(56,768)	(132,101)	(188,869)
Capital contributions			
Capital grant - state	181,350	-	181,350
Total capital contributions	181,350	-	181,350
Net income (loss) after capital contributions	124,582	(132,101)	(7,519)
Other financing			
Transfers (out)in	7,730	6,519	14,249
Total other financing	7,730	6,519	14,249
Changes in net position	132,312	(125,582)	6,730
Net position, beginning of year	2,496,158	4,093,832	6,589,990
Net position, end of year	$ 2,628,470	3,968,250	6,596,720

June Lake Public Utility District
Statement of Net Position – Enterprise Fund
June 30, 2024

	Sewer Fund	Water Fund	Total
Current assets:			
Cash and cash equivalents	$ 17,883	131,265	149,148
Cash and cash equivalents – restricted	1,377,384	1,388,391	2,765,775
Accounts receivable - water	-	61,449	61,449
Accounts receivable - sewer	44,556	-	44,556
Lease receivable - current	2,690	-	2,690
Property tax receivable	7,984	7,984	15,968
Accrued interest receivable	16,395	14,938	31,333
Total current assets	1,466,892	1,604,027	3,070,919
Non-current assets:			
Investments	1,225,751	-	1,225,751
Lease receivable - non-current	588,832	-	588,832
Capital assets, not being depreciated	37,430	-	37,430
Capital assets, being depreciated, net	492,746	3,156,550	3,649,296
Total non-current assets	2,344,759	3,156,550	5,501,309
Total assets	3,811,651	4,760,577	8,572,228
Deferred outflows of resources:			
Deferred pension outflows	323,786	323,786	647,572
Total deferred outflows of resources	$ 323,786	323,786	647,572

Continued on next page

June Lake Public Utility District
Statement of Net Position – Enterprise Fund, continued
June 30, 2024

	Sewer Fund	Water Fund	Total
Current liabilities:	$		
Accounts payable and accrued expenses	24,111	27,761	51,872
Accrued wages and related payables	17,559	15,993	33,552
Customer advances and deposits	123,981	-	123,981
Long-term liabilities – due within one year:			
Compensated absences	9,345	9,346	18,691
Total current liabilities	174,996	53,100	228,096
Non-current liabilities:			
Long-term liabilities – due in more than one year:			
Compensated absences	28,036	28,036	56,072
Net pension liability	871,253	871,253	1,742,506
Total non-current liabilities	899,289	899,289	1,798,578
Total liabilities	1,074,285	952,389	2,026,674
Deferred inflows of resources:			
Deferred pension inflows	38,142	38,142	76,284
Deferred lease inflows	526,852	-	526,852
Total deferred inflows of resources	564,994	38,142	603,136
Net position:			
Net investment in capital assets	530,176	3,156,550	3,686,726
Restricted	1,377,384	1,388,391	2,765,775
Unrestricted	588,598	(451,109)	137,489
Total net position	$ 2,496,158	4,093,832	6,589,990

June Lake Public Utility District
Statement of Revenues, Expenses, and Changes in Net Position – Enterprise Fund
For the Year Ended June 30, 2024

	Sewer Fund	Water Fund	Total
Operating revenues:			
Charges for services - sewer	$ 607,418	-	607,418
Charges for services - water	-	595,889	595,889
Total operating revenues	607,418	595,889	1,203,307
Operating expenses:			
Salaries and benefits	582,213	505,661	1,087,874
Professional services	212,900	176,218	389,118
Utilities	102,475	54,970	157,445
Small tools and supplies	33,271	136,914	170,185
Dues and subscriptions	53,819	38,103	91,922
Communication and travel	32,007	33,018	65,025
Insurance	17,869	17,369	35,238
Maintenance and repairs	179,436	3,762	183,198
Office expenses	12,075	15,248	27,323
Total operating expenses	1,226,065	981,263	2,207,328
Operating (loss) income before depreciation	(618,647)	(385,374)	(1,004,021)
Depreciation	(64,699)	(266,035)	(330,734)
Operating loss	(683,346)	(651,409)	(1,334,755)
Non-operating revenue(expense)			
Property taxes	471,574	469,266	940,840
Cell tower income	14,013	-	14,013
Interest revenue - leases	9,616	-	9,616
Investment earnings	146,122	70,317	216,439
Miscellaneous (expenses) revenues, net	263,976	-	263,976
Total non-operating revenues, net	905,301	539,583	1,444,884
Other financing			
Transfers in(out)	(124,907)	(16,311)	(141,218)
Total other financing	(124,907)	(16,311)	(141,218)
Changes in net position	97,048	(128,137)	(31,089)
Net position, beginning of year	2,399,110	4,221,969	6,621,079
Net position, end of year	$ 2,496,158	4,093,832	6,589,990

June Lake Public Utility District
Statements of Cash Flows – Enterprise Fund
For the Years Ended June 30, 2025 and 2024

		2025	2024
Cash flows from operating activities:			
Receipts from customers for charges for services	$	1,106,593	1,062,700
Payments to employees for salaries		(1,195,714)	(1,073,033)
Payments to vendors for materials and services		(919,679)	(1,065,904)
Net cash used in operating activities		(1,008,800)	(1,076,237)
Cash flows from non-capital financing activities:			
Proceeds from property taxes		1,005,478	1,020,094
Proceeds from operating grants		100,750	-
Proceeds from cell tower income		14,520	14,014
Proceeds from miscellaneous revenues		-	263,976
Net cash provided by non-capital financing activities		1,120,748	1,298,084
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets		(815,973)	(353,513)
Net cash used in capital and related financing activities		(815,973)	(353,513)
Cash flows from investing activities:			
Purchase of investments		(63,832)	(70,579)
Interest earnings		199,774	212,044
Net cash provided by (used in) investing activities		135,942	141,465
Net increase in cash and cash equivalents		(568,083)	9,799
Cash and cash equivalents, beginning of year		3,084,010	3,074,211
Cash and cash equivalents, end of year	$	2,515,927	3,084,010
Reconciliation of cash and cash equivalents to statement of net position:			
Cash and cash equivalents	$	153,401	149,149
Cash and cash equivalents – restricted		2,362,526	2,934,861
Total cash and cash equivalents	$	2,515,927	3,084,010

Continued on next page

See accompanying notes to the basic financial statements

June Lake Public Utility District
Statements of Cash Flows – Enterprise Fund, continued
For the Years Ended June 30, 2025 and 2024

	2025	2024
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (1,397,686)	(1,345,807)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	345,607	330,734
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
(Increase) decrease in assets:		
Accounts receivable	(5,014)	5,087
Other current assets	-	1,225
(Increase) decrease deferred outflows of resources:		
Deferred pension outflows	137,512	12,977
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	43,955	7,164
Accrued wages and related payables	(1,493)	4,370
Customer advances and deposits	(88,792)	(154,083)
Compensated absences	(3,598)	21,523
Net pension liability	(11,022)	96,226
Increase (decrease) deferred inflows of resources::		
Deferred pension inflows	(28,269)	(55,653)
Total adjustments	388,886	269,570
Net cash used in operating activities	$ (1,008,800)	(1,076,237)

See accompanying notes to the basic financial statements

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The June Lake Public Utility District (District) was setup to provide water distribution and sewage disposal services for the residents and businesses of the June Lake area in 1947. The District's treatment facilities were constructed in 1972. The District acquired the Down-Canyon water systems from Williams Tract County Water District in April of 1990. On March 15, 1994, the District's Public Utilities Code per Section 16489 were amended to include that the District may exercise the powers of a mosquito abatement district as set forth in Chapter 5 of the Health and Safety Code. The District is governed by a five-member Board of Directors who serves overlapping four-year terms.

For financial reporting purposes, the June Lake PUD's reporting entity includes the "primary government" and its "component units." The primary government includes all funds, departments, agencies, and those authorities that are considered an integral part of the District's activities. Component units are legally separate organizations for which the District's elected officials are financially accountable. The District's component unit has a June 30 year-end.

The June Lake Public Financing Authority (the "Authority") is a joint exercise of powers authority established pursuant to that certain Joint Exercise of Powers Agreement dated as of March 2, 2001, by and between the District and the Auburn Valley Community Services District. The Agreement was entered into pursuant to the provision of Articles 1 through 4, Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with §6500. The Authority is a separate entity constituting a public instrumentality of the State of California and was formed for the public purpose of assisting the District in financing capital projects. The Authority is governed by a five (5) member board of directors that is the Board of Directors of the District (the "Board"). Since the Authority provides financing services solely to the District, these financial transactions are reported as part of the primary government using the blended method.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, The Financial Reporting Entity. The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

B. Basis of Accounting and Measurement Focus

The *basic financial statements* of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide Financial Statements

These statements are presented on an *economic resources* measurement focus and the accrual basis of accounting for both governmental and business-type activities. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

B. Basis of Accounting and Measurement Focus, continued

Under the accrual basis of accounting, revenues are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the District are to be reported in three categories, if applicable: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items properly not included among program revenues are reported instead as general revenues.

Fund Financial Statements

These statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balance for all major governmental funds. Accompanying these statements is a schedule to reconcile and explain the difference in total fund balance as presented in these statements to the net position presented in the Government-wide Financial Statements. The District has presented its General Fund as its major fund in these statements to meet the qualifications of GASB Statement No. 34.

Governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60-days after year-end) are recognized when due. The primary sources susceptible to accrual for the District are property tax, interest earnings, investment revenue, and operating and capital grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due. The accrual basis of accounting is followed by the proprietary enterprise fund. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, such as, unbilled but utilized utility services which are recorded at year end.

The proprietary fund distinguishes operating revenues and expenses from non-operating items. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place. Operating revenues and expenses, such as sewer and water fees, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as property taxes and investment income, result from non-exchange transactions, which the District gives (receives) value without directly receiving (giving) value in exchange. The District recognizes revenue from water and sewer service charges based on cycle billings performed every month. The District accrues revenues with respect to water and sewer service sold, but not billed, at the end of a fiscal period.

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts established for the purpose of carrying out specific activities, or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

B. Basis of Accounting and Measurement Focus, continued

Funds are organized into two major categories: governmental and proprietary categories. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

a) Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type;

b) Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or proprietary fund are at least 5 percent of the corresponding total for all governmental and proprietary funds combined; or

c) The entity has determined that a fund is important to the financial statement user.

The funds of the financial reporting entity are described below:

Governmental Fund

Mosquito – This fund is used to account for resources used in providing mosquito and vector control services in the areas served by the District.

Enterprise Fund

Sewer – This fund is used to account for all financial resources used in providing sewer services in the areas served by the District.

Water – This fund is used to account for all financial resources used in providing water services in the areas served by the District.

C. Financial Reporting

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the District's proprietary fund.

The District has adopted the following GASB pronouncements in the current year:

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting

Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

In December 2023, the GASB issued Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources; and disclosures of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

3. Investments

The District has adopted an investment policy directing the General Manager to deposit and invest funds in financial institutions in accordance with California Government Code section 53635. The investment policy applies to all financial assets and investment activities of the District.

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

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

4. Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The hierarchy is based on valuation inputs used to measure the fair value of assets as follows:

- **Level 1** – Valuation is based on quoted prices in active markets for identical assets.
- **Level 2** – Valuation is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3** – Valuation is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of default, loss severity, and other assumptions that are internally generated and cannot be observed in the market.

5. Accounts Receivable and Allowance for Uncollectible Accounts

The District extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the District uses the allowance method for the reservation and write-off of those accounts.

6. Lease receivable

Lease receivable are measured at the present value of payments expected to be received during the lease term.

7. Property Taxes and Assessments

Property taxes attach an enforceable lien on property as of January 1, each year. Secured property taxes are levied on July 1, and are payable in two installments, on December 10 and April 10. The County of Mono Assessor's Office assesses all real and personal property within the County each year. The County of Mono Tax Collector's Office bills and collects the District's share of property taxes. The County of Mono Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes receivable at year-end are related to property taxes collected by the County of Mono, which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

8. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of resources applicable to future periods.

9. Deferred Inflows of Resources

Deferred inflows of resources represent the acquisition of resources applicable to future periods.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

10. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at $1,000. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of 5 to 40 years.

11. Compensated Absences

The District's policy is to permit employees to accumulate earned comprehensive leave up to four hundred and fifty hours. Upon termination of employment, employees are paid all unused comprehensive leave.

12. Pensions

For the purpose of measuring net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and addition to/deduction 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. GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For fiscal year 2020, the following timeframes are used:

- Valuation Date: June 30, 2023 and 2022
- Measurement Date: June 30, 2024 and 2023
- Measurement Period: July 1, 2022 to June 30, 2023; and July 1, 2023 to June 30, 2024

13. Sewer and Water Sales

The District recognizes sewer and water service charges based on cycle billings rendered to customers each month.

14. Net Position

The District follows the financial reporting requirements of the GASB and reports net position under the following classifications:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt, are included in this component of net position.
- *Restricted component of net position* – consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- *Unrestricted component of net position* – the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted components of net position.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

15. Fund Balance

The governmental fund financial statements report fund balance as non-spendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent.

- **Nonspendable fund balance** – amounts that cannot be spent because they are either (a) not spendable in form; or (b) legally or contractually required to be maintained intact.
- **Restricted fund balance** – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed fund balance** – amounts that can only be used for specific purposes determined by formal action of the District's highest level of decision-making authority (the Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** – amounts that are constrained by the District's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making or by a body or an official designated for that purpose.
- **Unassigned fund balance** – the residual classification for the District's general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

Fund Balance Policy

The Board of Directors establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, followed by the unrestricted, committed, assigned, and unassigned resources as they are needed.

The District believes that sound financial management principles require sufficient funds to be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain an unrestricted fund balance in its funds sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned, and unassigned fund balance classifications are considered unrestricted.

The purpose of the District's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

(2) Cash and Cash Equivalents

Cash and investments as of June 30, are classified in the accompanying financial statements as follows:

	2025		2024	
	Business-type Activities	Governmental Activites	Business-type Activities	Governmental Activites
Cash and cash equivalents	$ 152,166	1,235	149,148	-
Cash and cash equivalents - restricted	2,185,201	177,325	2,765,775	169,087
Investments	1,289,583	-	1,225,751	-
Total	$ 3,626,950	178,560	4,140,674	169,087

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

	2025		2024	
	Business-type Activities	Governmental Activites	Business-type Activities	Governmental Activites
Deposits with financial institutions	$ 152,166	1,235	149,148	-
Investments	3,474,784	177,325	3,991,526	169,087
Total	$ 3,626,950	178,560	4,140,674	169,087

As of June 30, the District's authorized deposit had the following maturities:

	2025	2024
Deposits in California Local Agency Investment Fund (LAIF)	248 days	217 days

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

The following table identifies the investment types that are authorized by the District in accordance with the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District; rather, the table addresses the general provisions of the California Government Code or the District's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (LAIF)	N/A	None	None
Money market mutual funds	N/A	20%	None
U.S. Treasury Bills	5 years	None	None
Certificates of Deposit	5 years	30%	10%
U.S. Government Sponsored Obligations	5 years	None	None
Medium Term Corporate Notes	5 years or less	30%	None
Supranational Obligations	5 years or less	30%	None

(2) Cash and Cash Equivalents, continued

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits, or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for *investments* is the risk that, in the event of 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. 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 government investment pools (such as LAIF).

The California Government Code and the District's investment policy do not contain legal and policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. As of June 30, 2025, bank balances are federally insured up to $250,000. The remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

Investment in State Investment Pool

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

The District's deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transactions processing occurs for orders received after 10:00 a.m.
- Maximum limit of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of $5,000, in increments of $1,000.
- Withdrawals of $10,000,000 or more require 24 hours advance.
- Prior to funds transfer, an authorized person must call LAIF to do a verbal transaction.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District can manage its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide for cash flow requirements and liquidity needed for operations.

(2) Cash and Cash Equivalents, continued

Interest Rate Risk, continued

As of June 30, 2025, the District investments are scheduled to mature as follows:

Investment Type	Amount	Remaining Maturity 12 Months or Less	13 to 24 Months	25 to 60 Months
Local Agency Investment Fund	$ 2,362,526	2,362,526	-	-
Money market deposit account	8,841	8,841	-	-
Certificate of deposit	1,280,742	-	457,247	823,495
Total	3,652,109	2,371,367	457,247	823,495

As of June 30, 2024, the District investments are scheduled to mature as follows:

Investment Type	Amount	Remaining Maturity 12 Months or Less	More than 12 Months	25 to 60 Months
Local Agency Investment Fund	$ 2,934,861	2,934,861	-	-
Money market deposit account	36,891	36,891	-	-
Certificate of deposit	1,188,860	-	328,943	859,917
Total	4,160,612	2,971,752	328,943	859,917

Concentration of Credit Risk

The District's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for external investment pools) that represent 5% or more of total District's investments at June 30, 2025 and 2024.

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.

Presented below is the minimum rating required by the California Government Code (where applicable), the District's investment policy, or debt agreements, and the actual rating as of the years ended for each investment type.

Credit ratings as of June 30, 2025, were as follows:

Investment Type	Amount	Minimum Legal Rating	Recognized Statistical Rating
Local Agency Investment Fund	$ 2,362,526	N/A	N/A
Money market deposit account	8,841	N/A	N/A
Certificate of deposit	1,280,742	N/A	N/A
Total	3,652,109		

(2) Cash and Cash Equivalents, continued

Credit ratings as of June 30, 2024, were as follows:

Investment Type	Amount	Minimum Legal Rating	Recognized Statistical Rating
Local Agency Investment Fund	$ 2,934,861	N/A	N/A
Money market deposit account	36,891	N/A	N/A
Certificate of deposit	1,188,860	N/A	N/A
Total	4,160,612		

Fair Value Measurement

As of June 30, 2025, investment measured at fair value on a non-recurring and non-recurring basis, are as follows:

		Fair Value Measurements Using		
Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates-of-deposit	$ 1,280,742	-	1,280,742	-
	1,280,742	-	1,280,742	-
Investments measured at amortized cost:				
Local Agency Investment Fund (LAIF)	2,362,526			
Money market deposit account	8,841			
Total	$ 3,652,109			

As of June 30, 2024, investment measured at fair value on a non-recurring and non-recurring basis, are as follows:

		Fair Value Measurements Using		
Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates-of-deposit	$ 1,188,860	-	1,188,860	-
	1,188,860	-	1,188,860	-
Investments measured at amortized cost:				
Local Agency Investment Fund (LAIF)	2,934,861			
Money market deposit account	36,891			
Total	$ 4,160,612			

(3) Lease Receivable

The changes in lease receivable for 2025, were as follows:

	Balance 2024	Additions/ Transfers	Principal Payments	Balance 2025
Lease receivable:				
Cell tower lease	$ 591,522	-	(2,690)	588,832
Total lease receivable	591,522	-	(2,690)	588,832
Current portion	(2,690)			(2,743)
Non-current portion	$ 588,832			586,089

The changes in lease receivable for 2024, were as follows:

	Balance 2023	Additions/ Transfers	Principal Payments	Balance 2024
Lease receivable:				
Cell tower lease	$ 594,159	-	(2,637)	591,522
Total lease receivable	594,159	-	(2,637)	591,522
Current portion	(2,637)			(2,690)
Non-current portion	$ 591,522			588,832

Principal and interest requirements to maturity are as follows:

Year	Principal	Interest	Total
2026	$ 2,743	11,777	14,520
2027	2,798	11,722	14,520
2028	2,854	11,666	14,520
2029	4,363	11,609	15,972
2030	4,451	11,521	15,972
2031-2035	26,850	56,204	83,054
2036-2040	38,279	53,080	91,359
2041-2045	51,762	48,734	100,496
2046-2050	67,597	42,949	110,546
2051-2055	86,125	35,475	121,600
2056-2060	107,731	26,029	133,760
2061-2065	132,849	14,287	147,136
2066-2067	60,430	1,819	62,249
Total	588,832	336,872	925,704
Current	(2,743)		
Non-current	$ 586,089		

(3) Lease Receivable, continued

SBA Towers IV, LLC

On December 18, 2012, the District entered into a lease agreement with SBA Towers IV, LLC (Company). The Company has agreed to lease the land from the District. The terms of the agreement require the Company to pay the District a basic annual rent (rent) of $12,000 in equal $1,000 monthly installments on the first day of each calendar month commencing on January 1, 2013. Per the agreement, the final lease term end date is December 19, 2068. Beginning December 19, 2018, the current monthly rental fee will be increased by 10%. During the fiscal year ended June 30, 2025, the District received total rental payments in the amount of $14,520. Following the implementation of GASB Statement No. 87, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 2%.

The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2025 and 2024, the balance of lease receivable amounted to $588,832, and $591,522, respectively. As of June 30, 2025 and 2024, the balance of deferred lease inflows amounted to $514,599, and $526,852, respectively.

(4) Capital Assets

The changes in capital assets for 2025, were as follows:

	Balance 2024	Additions/ Transfers	Deletions/ Transfers	Balance 2025
Non-depreciable assets:				
Land and land development	$ 37,430	-	-	37,430
Total non-depreciable assets	37,430	-	-	37,430
Depreciable assets:				
Sewage facility	5,720,693	162,370	-	5,883,063
Water facility	8,642,205	-	-	8,642,205
Sewage general plant	486,478	653,603	-	1,140,081
Water general plant	682,919	-	-	682,919
Total depreciable assets	15,532,295	815,973	-	16,348,268
Accumulated depreciation:				
Sewage facility	(5,314,431)	(49,037)	-	(5,363,468)
Water facility	(5,729,822)	(213,487)	-	(5,943,309)
Sewage general plant	(399,994)	(27,882)	-	(427,876)
Water general plant	(438,752)	(55,201)	-	(493,953)
Total accumulated depreciation	(11,882,999)	(345,607)	-	(12,228,606)
Total depreciable assets, net	3,649,296	470,366	-	4,119,662
Total capital assets, net	$ 3,686,726			4,157,092

(4) Capital Assets, continued

The changes in capital assets for 2024, were as follows:

	Balance 2023	Additions/ Transfers	Deletions/ Transfers	Balance 2024
Non-depreciable assets:				
Land and land development	$ 37,430	-	-	37,430
Total non-depreciable assets	37,430	-	-	37,430
Depreciable assets:				
Sewage facility	5,494,863	225,830	-	5,720,693
Water facility	8,604,795	37,410	-	8,642,205
Sewage general plant	456,559	29,919	-	486,478
Water general plant	622,566	60,353	-	682,919
Total depreciable assets	15,178,783	353,512	-	15,532,295
Accumulated depreciation:				
Sewage facility	(5,271,395)	(43,036)	-	(5,314,431)
Water facility	(5,517,114)	(212,708)	-	(5,729,822)
Sewage general plant	(378,332)	(21,662)	-	(399,994)
Water general plant	(385,425)	(53,327)	-	(438,752)
Total accumulated depreciation	(11,552,266)	(330,733)	-	(11,882,999)
Total depreciable assets, net	3,626,517	22,779	-	3,649,296
Total capital assets, net	$ 3,663,947			3,686,726

In 2025 and 2024, major capital assets additions during the year include improvements to the District's sewage facility, and sewer general plant.

Major capital assets additions during the year include improvements to the District's sewage and water facility, and sewer and water general plant.

(5) Internal Transfers

Inter-fund transfers are used to move financial resources between the Sewer fund, Water fund, and Mosquito fund, to absorb the operating deficit and to support the operations of each respective fund.

For the fiscal years ended June 30, 2025, and 2024, inter-fund transfers consist of the following:

Transfer	Transfer to(from)	2025	2024
Sewer Fund	Mosquito Fund	(7,730)	124,907
Water Fund	Mosquito Fund	$ (6,519)	$ 16,311
Transfer to(from) Mosquito Fund		$ (14,249)	$ 141,218

(6) Compensated Absences

Compensated absences comprise of unpaid vacation hours and compensatory time capped at 450 hours, which is accrued as earned based on the District's policy.

The District recognizes liability for compensated absences in accordance with GASB Statement No. 101, *"Compensated Absences"*. Compensated absences comprise of unpaid vacation hours and compensatory time capped at 450 hours, which is accrued as earned based on the District's policy.

As of June 30, 2025 and 2024, the liability for compensated absences was calculated based on employees' pay rates at the fiscal year-end and historical usage data, considering employment policies. The liability represents amounts that are more likely than not be used or paid out.

The total liability for compensated absences amounted to $71,165 and $74,763, respectively.

The net change in the compensated absences liability for the fiscal year ended June 30, 2025 and 2024 was $(3,598) and $21,523, respectively, reflecting a net (decrease) increase due to changes in employee leave balances, pay rates, and usage patterns.

The District's liability for compensated absences is determined annually and will be liquidated equally through the business-type activities (sewer and water fund).

(7) Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety plans, respectively. Benefit provisions under the Plan are established by State statute and the District's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website or may be obtained from their executive office at 400 P Street, Sacramento, California 95814.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect on January 1, 2013. The new legislation closed the District's CalPERS 2.7% at 55 Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. All employees hired after January 1, 2013, are eligible for the District's CalPERS 2.0% at 62 Retirement Plan under PEPRA.

(7) Defined Benefit Pension Plan, continued

The District participates in the Plan's miscellaneous risk pool. The provisions and benefits for the Plan's miscellaneous pool in effect as June 30, 2025 and 2024, are summarized as follows:

	2025		2024	
	New Classic	PEPRA	New Classic	PEPRA
Hire date	Prior to December 31, 2012	On or after January 1, 2013	Prior to December 31, 2012	On or after January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service		5 years of service	
Benefit payments	monthly for life		monthly for life	
Retirement age	50 - 55	52 - 67	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.00%	2.00%	2.00%	2.00%
Required employee contribution rates	7.96%	7.75%	7.96%	7.75%
Required employer contribution rates	15.24%	7.87%	15.17%	7.68%

Contributions

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

For the years ended June 30, 2025 and 2024, contribution recognized as part of pension expense for the Plan were as follows:

	2025	2024
Contribution - employer	$ 204,915	180,789

Net Pension Liability

As of the fiscal year ended June 30, 2025 and 2024, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	2025	2024
Proportionate share of net pension liability	$ 1,731,484	1,742,506

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability for the miscellaneous risk pool. As of June 30, 2025 and 2024, the net pension liability of the Plan is measured as of June 30, 2024 and 2023 (the measurement dates). The total pension liability for the Plan's miscellaneous risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 and 2022 (the valuation dates), rolled forward to June 30, 2024 and 2023, using standard update procedures.

(7) Defined Benefit Pension Plan, continued

Net Pension Liability, continued

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's changes in proportionate share of the net pension liability for the Plan's miscellaneous risk pool as of the measurement date June 30, 2024 and 2023, were as follows:

	Proportionate Share
Proportion – June 30, 2023	0.01397 %
Proportion – June 30, 2024	0.01428
Change in proportion	0.00031 %

Deferred Pension Outflows(Inflows) of Resources

For the year ended June 30, 2025 and 2024, the District recognized pension expense of $303,136, and $234,339 respectively.

As of the fiscal year ended June 30, 2025, and 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	2025		2024	
Description	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	$ 204,915	-	180,789	-
Differences between actual and expected experience	143,861	-	75,208	-
Changes in assumptions	44,503	-	105,203	-
Differences between projected and actual investment earnings	99,679	-	282,127	-
Differences between employer's contribution and proportionate share of contribution	17,102	(8,208)	4,245	(25,483)
Change in employer's proportion	-	(39,807)	-	(50,801)
Total	$ 510,060	(48,015)	647,572	(76,284)

As of June 30, 2025 and 2024, the District reported $204,915 and $180,789, as deferred outflows of resources related to contributions subsequent to the measurement date, respectively. Pension contributions subsequent to the measurement date for the year ended June 30, 2025, and 2024, will be recognized as a reduction of the net pension liability for the year ended June 30, 2026 and 2025, respectively.

(7) Defined Benefit Pension Plan, continued

Deferred Pension Outflows(Inflows) of Resources, continued

As of June 30, 2025 and 2024, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	Deferred Net Outflows(Inflows) of Resources
2026	$ 72,349
2027	218,109
2028	831
2029	(34,159)

Actuarial Assumptions

The total pension liabilities in the June 30, 2023 and 2022, actuarial valuation report was determined using the following actuarial assumptions:

Valuation Date	June 30, 2023 and 2022
Measurement Date	June 30, 2024 and 2023
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Mortality Rate Table*	Derived using CalPERS' Membership Data
Period upon which actuarial Experience Survey assumptions were based	1997-2015
Post Retirement Benefit	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

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

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. This discount rate is not adjusted for administrative expenses.

(7) Defined Benefit Pension Plan, continued

Discount Rate, continued

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The table below reflects long-term expected real rates of return by asset class.

Asset Class	Assumed Asset Allocation	Real Return Years 1-10[1,2]
Global Equity Cap	30.00%	4.54%
Global Equity Non-Cap	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

[1] An expected inflation of 2.30% used for this period.

[2] Figures are based on the 2021-22 Asset Liability Management Study.

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

The following table presents the District's proportionate share of the net pension liability for the Plan calculated using the discount rate, 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 one percentage point lower or one-percentage point higher than the current rate.

As of June 30, 2025, the District's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, are as follows:

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
District's net pension liability	$ 2,535,306	1,731,484	1,069,820

(7) Defined Benefit Pension Plan, continued

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

As of June 30, 2024, the District's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, are as follows:

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
District's net pension liability	$ 2,522,076	1,742,506	1,100,853

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 47 through 49 for the Required Supplementary Information.

(8) Fund Balance

Fund balance is presented in the following categories: non-spendable, restricted, committed, assigned, and unassigned (See Note 1.D.15 for a description of these categories). A detailed schedule of fund balances and their funding composition at June 30, 2025, is as follows:

	2025	2025
Restricted		
Mosquito Fund	$ 179,986	$ 169,087
Total restricted fund balance	179,986	169,087

(9) Net Position

The details of net position as of June 30, 2025 are as follows:

	Business-type Activities	Governmental Activities	2025
Net investment in capital assets:			
Capital assets, not being depreciated	$ 37,430	-	37,430
Capital assets, being depreciated, net	4,119,662	-	4,119,662
Total net investment in capital assets	4,157,092	-	4,157,092
Restricted:			
Cash and cash equivalents with fiscal agent	2,185,201	177,325	2,362,526
Total restricted net position	2,185,201	177,325	2,362,526
Unrestricted:			
Unrestricted net position	254,427	2,661	257,088
Total net position	$ 6,596,720	179,986	6,776,706

(9) Net Position, continued

The details of net position as of June 30, 2024 are as follows:

	Business-type Activities	Governmental Activities	2024
Net investment in capital assets:			
Capital assets, not being depreciated	$ 37,430	-	37,430
Capital assets, being depreciated, net	3,649,296	-	3,649,296
Total net investment in capital assets	3,686,726	-	3,686,726
Restricted:			
Cash and cash equivalents with fiscal agent	2,765,774	169,087	2,934,861
Total restricted net position	2,765,774	169,087	2,934,861
Unrestricted:			
Unrestricted net position	137,490	-	137,490
Total net position	$ 6,589,990	169,087	6,759,077

(10) Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is insured for a variety of potential exposures. The following is a summary of the insurance policies carried by the District as of June 30, 2025:

- Property and mobile equipment: $1,000,000,000 per occurrence.
- Boiler & Machinery: $100,000,000 per occurrence.
- Workers' Compensation: $5,000,000 per occurrence.
- Auto Liability: $2,500,000 per occurrence.
- Pollution: $2,000,000 per occurrence.
- General Liability: Various.

(11) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the issue date, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 103

In April 2024, the GASB issued Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. Also, this Statement: (1) continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

(11) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

Governmental Accounting Standards Board Statement No. 103, continued

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 104

In September 2024, the GASB issued Statement No. 104 – Disclosure of Certain Capital Assets. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. Also, this Statement establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial statements of all state and local governments.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 105

In December 2025, the GASB issued Statement No. 105 – *Subsequent Events*. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier application is encouraged.

(12) Commitments and Contingencies

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(13) Subsequent Events

Events occurring after June 30, 2025, have been evaluated for possible adjustment to the financial statements or disclosure as of October 14, 2026, which is the date the financial statements were available to be issued.

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Required Supplementary Information

June Lake Public Utility District
Budgetary Comparison Schedule – Mosquito Fund
As of June 30, 2025

	Adopted Original Budget	Board Approved Changes	Revised Budget	Actual Budgetary Basis	Variance Positive (Negative)
Revenues:					
Property taxes	$ -	-	-	35,428	35,428
Investment return	-	-	-	9,598	9,598
Total revenues	-	-	-	45,026	45,026
Expenditures:					
Salaries and benefits	-	-	-	5,551	(5,551)
Professional services	-	-	-	718	(718)
Small tools and supplies	-	-	-	12,960	(12,960)
Dues and subscriptions	-	-	-	649	(649)
Total expenditures	-	-	-	19,878	(19,878)
Excess of revenues over expenditures	-	-	-	25,148	25,148
Other financing sources:					
Operating transfers out	-	-	-	(14,249)	(14,249)
Net change in fund balance	-	-	-	10,899	10,899
Fund balance, beginning of year	169,087		169,087	169,087	
Fund balance, end of year	$ 169,087		169,087	179,986	

Notes to Required Supplementary Information

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. The General Manager prepare and submit an operating budget to the Board of Trustees for the Mosquito Fund no later than June of each year. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting.

June Lake Public Utility District
Schedules of the District's Proportionate Share of the Net Pension Liability
As of June 30, 2025
Last Ten Years

Defined Benefit Plan

Description	Measurement Dates									
	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
District's proportion of the net pension liability	0.01428%	0.01397%	0.01425%	0.01641%	0.01296%	0.01275%	0.01243%	0.01228%	0.01313%	0.01877%
District's proportionate share of the net pension liability	$ 1,731,484	1,742,506	1,646,280	887,599	1,410,550	1,306,396	1,198,188	1,217,879	1,135,765	1,288,472
District's covered payroll	$ 510,493	468,298	489,781	486,725	430,782	431,876	469,854	343,565	435,532	450,335
District's proportionate share of the net pension liability as a percentage of its covered payroll	339.18%	372.09%	336.13%	182.36%	327.44%	302.49%	255.01%	354.48%	260.78%	286.11%
Plan's proportionate share of fiduciary net position as a percentage of total pension liability	76.21%	76.68%	88.29%	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	80.43%

Notes to the Schedules of the District's Proportionate Share of Net Pension Liability

Changes in Benefit Terms

Public agencies can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in the plan's annual valuation report.

Change of Assumptions and Methods

In fiscal years 2024 and 2023, there were no changes to actuarial assumptions or methods.

In fiscal year 2022, the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term.

The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

In fiscal year 2021, there were no changes to actuarial assumptions or methods.

The CalPERS Board of Administration adopted a new amortization policy effective with the June 30, 2019, actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses.

Notes to the Schedules of the District's Proportionate Share of Net Pension Liability, continued

Changes in Assumptions and Methods, continued

These changes will apply only to new UAL bases established on or after June 30, 2019. In fiscal year 2020, no changes have occurred to the actuarial assumptions in relation to financial reporting.

In fiscal year 2020, CalPERS implemented a new actuarial valuation software system for the June 30, 2018 valuation. This new system has refined and improved calculation methodology.

In December 2017, the CalPERS Board adopted new mortality assumptions for plans participating in the PERF. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90% of scale MP 2016 published by the Society of Actuaries. The inflation assumption is reduced from 2.75% to 2.50%.

The assumptions for individual salary increases and overall payroll growth are reduced from 3.00% to 2.75%. These changes will be implemented in two steps commencing in the June 30, 2017 funding valuation. However, for financial reporting purposes, these assumption changes are fully reflected in the results for fiscal year 2018.

In fiscal year 2017, the financial reporting discount rate for the PERF C was lowered from 7.65% to 7.15%. In December 2016, the CalPERS Board approved lowering the funding discount rate used in the PERF C from 7.50% to 7.00%, which is to be phased in over a three-year period (7.50% to7.375%, 7.375% to 7.25%, and 7.25% to 7.00%) beginning with the June 30, 2016, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

In fiscal year 2015, the financial reporting discount rate was increased from 7.50% to 7.65% resulting from eliminating the 15 basis-point reduction for administrative expenses. The funding discount rate remained at 7.50% during this period, and remained adjusted for administrative expenses.

June Lake Public Utility District
Schedules of Pension Plan Contributions
As of June 30, 2025
Last Ten Years

Description	Fiscal Years Ended									
	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Actuarially determined contribution	$ 180,789	172,945	159,387	145,192	123,647	108,693	95,442	86,633	156,318	148,840
Contributions in relation to the actuarially determined contribution	(180,789)	(172,945)	(159,387)	(145,192)	(123,647)	(108,693)	(95,442)	(86,633)	(156,318)	(148,840)
Contribution deficiency(excess)	$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	$ 625,380	510,493	468,298	489,781	486,725	430,782	431,876	469,854	343,565	435,532
Contribution's as a percentage of covered payroll	28.91%	33.88%	34.04%	29.64%	25.40%	25.23%	22.10%	18.44%	45.50%	34.17%

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Supplemental Information

Report on Internal Controls and Compliance

Independent Auditor's Report on Internal Controls Over Financial Reporting And on Compliance and Other Matters Based on the Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
June Lake Public Utility District
June Lake, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the June Lake Public Utility District (District), as of and for the year June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 14, 2026.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

C.J. Brown & Company, CPAs
Cypress, California
October 14, 2026