Kirkwood Meadows Public Utility District
Finance Committee
SPECIAL MEETING NOTICE

NOTICE IS HEREBY GIVEN that the Finance Committee of the Kirkwood Meadows Public Utility District has called a Special Meeting of the Committee to be held on **Wednesday, November 25, 2026 at 8:30am** at the Kirkwood Meadows Public Utility District, Community Services Building, 33540 Loop Road, Kirkwood, CA 95646. The meeting will also be accessible via video/teleconference on Zoom at: https://us02web.zoom.us/j/87334962206

IN ACCORDANCE WITH THE PROCEDURES SET FORTH IN GOVERNMENT CODE §54953(B) – ADDITIONAL TELECONFERENCE LOCATION: 4264 Manuela Way, Palo Alto, CA 94306 and 21298 Sarahills Drive, Saratoga, CA 95070.

HOW TO PARTICIPATE / OBSERVE THE MEETING:

Public access is available at the physical location of the meeting. You may participate in person or via the Zoom Webinar.
Telephone: Call Zoom at (669) 900-6833 and enter Meeting ID# **873 3496 2206** followed by the pound (#) key.
Computer: Follow this link to join the meeting automatically:
https://us02web.zoom.us/j/87334962206
Mobile: Open the Zoom mobile app on a smartphone and enter Meeting ID# **873 3496 2206**

HOW TO SUBMIT PUBLIC COMMENTS:

Prior to the meeting, please mail comments to P.O. Box 247, Kirkwood, CA 95646, fax your comments to (209) 258-8727 Attn: General Manager or email at GM@kmpud.com, write "Public Comments" in the subject line. Include the agenda item number and title, as well as your comments. During the meeting, the Committee Chair will announce the opportunity to make public comments. Please utilize the "raise your hand" function via the Zoom application or your telephone if participating in this manner.

Any person may make comments during the General Public Comment period on items of interest, within the subject matter jurisdiction of the Committee, that are not listed on the posted agenda. In accordance with the Brown Act, the Committee cannot deliberate or vote on any matter brought forth by public comment that has not been posted in the published agenda.

ACCESSIBILITY INFORMATION:

Committee meetings are accessible to people with disabilities and others who need assistance. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to observe and/or participate in this meeting and access meeting-related materials should contact the Clerk of the Board, at least 48-hours before the meeting at (209) 258-4444 or info@kmpud.com. Advanced notification will enable the District to swiftly resolve such requests and ensure accessibility.

Distribution Date: November 20, 2026

Kirkwood Meadows Public Utility District
Finance Committee
SPECIAL MEETING NOTICE

AGENDA

1) **Baker Tilly Audit Presentation.** *Olga Darlington & Daniel Roberts.*
2) **Finances.** Discussion and possible action regarding the District's financials.
    a) Overview & Budget Variances
    b) September Financials
    c) October Preliminaries
    d) Cash Flow
    e) Quarterly Debt Database Presentation
    f) KVFD 501(c)(3) Financials
3) **Customer Water Leak Credit.** Discussion and possible action.
4) **Future Topics.**
5) Next Meeting/Staff Recommendation: Tuesday, December 15, 2026 – 10:00 am.

The Kirkwood Meadows Public Utility District is an equal opportunity provider and employer.

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the District at (209) 258-4444, by email to info@kmpud.com. Requests must be made as early as possible, and at least two business days before the meeting.

Distribution Date: November 20, 2026

Kirkwood Meadows Public Utility District

2026 Audit Results

Discussion with Management and the Finance Committee

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Auditor Reports to be Issued



Unmodified opinion on the financial statements of the District, which are presented fairly and in accordance with accounting principles generally accepted in the Unites States (GAAP) – following pronouncements issued by the Governmental Accounting Standards Board (GASB)

- Limited procedures performed over required Supplementary Information – Management discussion and analysis and Pension/OPEB schedules.



Requirement Audit and report on internal control and compliance over financial reporting in accordance with *Government Auditing Standards*



RUS Compliance letter

Matters Required to be Communicated with Those Charged with Governance

Our responsibility with regard to the financial statement audit under U.S. auditing standards:	We are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, 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 responsibilities.
Our responsibility with regard to the financial statement audit under U.S. auditing standards:	We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). As part of an audit conducted in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

Matters Required to be Communicated with Those Charged with Governance

Our responsibility with regard to the financial statement audit under U.S. auditing standards:	We are also responsible for communicating significant matters related to the financial statement 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.
Our responsibility with regard to the financial statement audit under U.S. auditing standards:	Our audit of the financial statements included obtaining 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 entity's internal control or to identify deficiencies in the design or operation of internal control. Accordingly, we considered the entity's internal control solely for the purpose of determining our audit procedures and not to provide assurance concerning such internal control.

Matters Required to be Communicated with Those Charged with Governance

MATTERS TO BE COMMUNICATED

Significant Accounting Practices:

Our views about qualitative aspects of the District's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures.

BAKER TILLY COMMENTS

- The quality of the District's accounting policies and underlying estimates are discussed in Note 1 to the financial statements. There were no changes in the District's approach to applying the critical accounting policies.

MANAGEMENT ESTIMATES

- allowance for doubtful accounts,
- depreciable lives of capital assets,
- actuarial valuations for the determination of pension and OPEB liabilities, and
- general and administrative allocations between funds.

Matters Required to be Communicated with Those Charged with Governance

MATTERS TO BE COMMUNICATED

Management's consultation with other accountants

Potential Effect of Any Significant Risks and Exposures

Disagreements With Management

Disagreements with management, whether satisfactorily resolved, about matters that individually or in the aggregate could be significant to the District's financial statements, or the auditor's report.

BAKER TILLY COMMENTS

None noted.

- The District is subject to potential legal proceedings and claims that arise in the ordinary course of business. The District appropriately disclosed its exposure in Note 8 – Commitments and Contingencies.
- There were no disagreements with management.

Matters Required to be Communicated with Those Charged with Governance

MATTERS TO BE COMMUNICATED

Material, corrected misstatements

Material, corrected misstatements that were brought to the attention of management as a result of audit procedures.

BAKER TILLY COMMENTS

- Adjusting journal entry to remove fully depreciated assets that were disposed during the year in the amount $168,305
- Adjusting journal entry to correct deprecation expense for an asset capitalized during the year in the amount of $4,306
- Adjusting journal entry to properly state accounts receivable and cash as of year ended in the amount of $892,282

Matters Required to be Communicated with Those Charged with Governance

MATTERS TO BE COMMUNICATED

Uncorrected Misstatements:

BAKER TILLY COMMENTS

Uncorrected misstatements that were brought to the attention of management as a result of audit procedures.

Proposed Journal Entry #1

- Reclassify credit balances within accounts receivable to employee housing $72,541

Proposed Journal Entry #2

- Record accrued interest and interest expense $27,845

Proposed Journal Entry #3 (judgmental)

- Record additional depreciation expense related to WWTP based upon substantial completion $152,793

Proposed Journal Entry #4

- Record June 2026 power purchased and related payable $36,802

Matters Required to be Communicated with Those Charged with Governance

MATTERS TO BE COMMUNICATED

Uncorrected Misstatements (continued):

BAKER TILLY COMMENTS

Uncorrected misstatements that were brought to the attention of management as a result of audit procedures.

Proposed Journal Entry #5

- To adjust cash and reduce interest expense related to current year financing $28,184

Proposed Journal Entry #6

- To record effects of GASB 96 SBITA asset and liability at 6/30/26
  - SBITA asset ~$134,000 and liability ~$130,000

Proposed Journal Entry #7

- To record current year GASB 96 SBITA transactions.
  - SBITA amortization expense $27,652, SBITA interest expense $4,849

Matters Required to be Communicated with Those Charged with Governance

Internal Control Comments:

- Instances where journal entries and reconciliations lacked verifiable evidence of review.
- Recommend increased precision during the account reconciliation process (cash, accounts receivable, capital assets, accrued payroll)
- Improper segregation of duties (areas where individuals have record keeping, custody, and reconciliation functions).
- Instance where capitalization policy was not followed.
- Areas for continued improvements over capital asset policies and procedures (timely capitalization of CWIP projects, formal review of closed work orders, consideration and evaluation of asset components for assignment of depreciable lives, reconciliation of capital assets).
- Recommend increased review of utility rate changes in system and billing.

Standards Adopted in 2026

GASB 103, *Financial Reporting Model Improvements*

- The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

GASB 104, *Disclosure of Certain Capital Assets*

- The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosure required by Statement 34. This statement also requires additional disclosures for capital assets held for sale.

Standard to Adopt in 2027

GASB 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.

THANK YOU

Management's Discussion and Analysis

Kirkwood Meadows Public Utility District
Management's Discussion and Analysis
Years Ended June 30, 2026 and 2025

As financial management of the Kirkwood Meadows Public Utility District (the District), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the District for the years ended June 30, 2026 and 2025. Selected information for the year ended June 30, 2024 is also presented for comparison. This discussion focuses on the current year and explains the significant changes in the District's financial position and results of operations from the prior year. Readers should consider this information together with the basic financial statements and the accompanying notes.

Overview of the Financial Statements

This annual report consists of the report of independent auditors; this management's discussion and analysis (MD&A); the basic financial statements, which include government-wide financial statements, fund financial statements, and notes to the financial statements; required supplementary information; and other supplementary information.

The District's activities are reported in three categories. Governmental activities, which are supported primarily by property taxes and allocated general and administrative charges, consist of three departments: General and Administration, Fire, and Parks. Business-type activities, which are supported primarily by user charges, consist of eight departments: Cable, Electric, Employee Housing, Propane, Snow Removal, Solid Waste, Water, and Wastewater. The fiduciary fund is a custodial fund that accounts for resources held on behalf of Community Facilities District No. 98-1; these resources are not available to support District programs and are excluded from the government-wide financial statements.

Government-wide financial statements – The statement of net position and the statement of activities report on the District as a whole using the economic resources measurement focus and the accrual basis of accounting, under which revenues are recognized when earned and expenses when incurred, regardless of the timing of cash flows. The statement of net position reports all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. The statement of activities shows how net position changed during the year, comparing the cost of each function with the program revenues that function generates.

Fund financial statements – The governmental fund statements report the General Fund using the current financial resources measurement focus and the modified accrual basis of accounting. They focus on near-term inflows and outflows of spendable resources and on the fund balance available at year-end; they do not report capital assets or long-term liabilities. Reconciliations are provided to explain the differences between the governmental fund statements and the governmental activities column of the government-wide statements. The proprietary fund statements report the business-type activities on the same basis as the government-wide statements and add a statement of cash flows. The fiduciary fund statements report the assets held and the additions and deductions of the custodial fund.

Notes and required supplementary information – The notes provide information essential to understanding the amounts reported in the financial statements. Required supplementary information, in addition to this MD&A, includes budgetary comparison schedules for the Fire and Parks departments and schedules related to the District's pension and other post-employment benefit (OPEB) obligations.

New Accounting Standards

Effective July 1, 2025, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*. The Statement establishes new requirements for MD&A, and this MD&A has been organized into the five sections the Statement prescribes. The Statement also changed the presentation of the proprietary fund statement of revenues, expenses, and changes in net position. Noncapital subsidies—property taxes allocated to the proprietary fund and transfers between the General Fund and the proprietary fund—are now presented immediately following operating income, followed by a subtotal for operating income and noncapital subsidies. The Statement was applied retroactively: for the year ended June 30, 2025, property taxes of $613,643 and transfers of $82,288, previously reported as nonoperating revenues, have been reclassified as noncapital subsidies, and fiscal year 2024 amounts in this MD&A are presented on the same basis for comparability. Budgetary comparison schedules are presented as required supplementary information and include variances between the original and final budgets and between the final budget and actual amounts. The District had no unusual or infrequent items and no discretely presented component units.

Adoption of the Statement changed the classification and presentation of certain amounts but had no effect on net position or on the change in net position.

For the year ended June 30, 2026, the District also implemented GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The Statement requires lease assets, subscription assets, and other intangible assets to be disclosed separately by major class and requires disclosure of capital assets held for sale. The District's electric intangible plant is disclosed separately in Note 3. Implementation had no effect on net position.

Financial Summary

The District's total net position increased $1.2 million, or 8.4%, from $14.6 million at June 30, 2025, to $15.8 million at June 30, 2026. Net position of business-type activities increased $1.2 million to $14.8 million, and net position of governmental activities increased $0.1 million to $1.0 million. The increase reflects business-type operating income and noncapital subsidies that exceeded interest expense on the District's long-term debt, as discussed under Detailed Analyses.

The composition of net position shifted during the year. Unrestricted net position increased $2.6 million, from $2.9 million to $5.6 million, while net investment in capital assets decreased $1.4 million, from $11.6 million to $10.2 million. Depreciation and amortization of $2.6 million exceeded capital additions of $1.6 million, and debt outstanding increased $0.4 million, which reduced net investment in capital assets. Cash generated by operations was retained, increasing unrestricted net position.

Current assets increased $2.4 million, from $6.5 million to $8.9 million, primarily because business-type cash and cash equivalents increased $2.0 million, from $5.0 million to $7.0 million. Business-type receivables increased $0.3 million and materials and supplies increased $18,282. Current liabilities decreased $4.5 million, from $8.3 million to $3.9 million, and noncurrent liabilities increased $4.4 million, from $46.6 million to $51.0 million. Both changes result from the replacement of the CoBank interim construction loan, which was classified as a current liability at June 30, 2025, with long-term Rural Utilities Service (RUS) financing for the wastewater treatment plant, as discussed under Significant Capital Asset and Long-Term Financing Activity.

The District's condensed government-wide statement of net position at June 30, 2026, 2025, and 2024, is presented below.

Government-Wide Statement of Net Position

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2026	2025	2026	2025	2026	2025	2026–2025
Current and other assets	$ 364,967	$ 332,747	$ 8,530,040	$ 6,117,730	$ 8,895,007	$ 6,450,477	37.9%
Capital assets, net	750,804	818,092	61,881,671	62,838,428	62,632,475	63,656,520	-1.6%
Total assets	1,115,771	1,150,839	70,411,711	68,956,158	71,527,482	70,106,997	2.0%
Deferred outflows of resources	-	-	434,473	605,738	434,473	605,738	-28.3%
Long-term liabilities	-	-	51,007,374	46,587,610	51,007,374	46,587,610	9.5%
Other liabilities	158,783	259,531	3,692,264	8,055,539	3,851,047	8,315,070	-53.7%
Total liabilities	158,783	259,531	54,699,638	54,643,149	54,858,421	54,902,680	-0.1%
Deferred inflows of resources	-	-	1,321,664	1,257,373	1,321,664	1,257,373	5.1%
Net position							
Net investment in capital assets	750,804	818,092	9,466,116	10,809,380	10,216,920	11,627,472	-12.1%
Unrestricted	206,184	73,216	5,358,766	2,851,994	5,564,950	2,925,210	90.2%
Total net position	$ 956,988	$ 891,308	$ 14,824,882	$ 13,661,374	$ 15,781,870	$ 14,552,682	8.4%

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2025	2024	2025	2024	2025	2024	2025–2024
Current and other assets	$ 332,747	$ 178,312	$ 6,117,730	$ 6,015,715	$ 6,450,477	$ 6,194,027	4.1%
Capital assets, net	818,092	855,854	62,838,428	63,146,764	63,656,520	64,002,618	-0.5%
Total assets	1,150,839	1,034,166	68,956,158	69,162,479	70,106,997	70,196,645	-0.1%
Deferred outflows of resources	-	-	605,738	710,337	605,738	710,337	-14.7%
Long-term liabilities	-	-	46,587,610	51,432,893	46,587,610	51,432,893	-9.4%
Other liabilities	259,531	103,685	8,055,539	4,473,466	8,315,070	4,577,151	81.7%
Total liabilities	259,531	103,685	54,643,149	55,906,359	54,902,680	56,010,044	-2.0%
Deferred inflows of resources	-	-	1,257,373	1,279,933	1,257,373	1,279,933	-1.8%
Net position							
Net investment in capital assets	818,092	855,854	10,809,380	10,679,500	11,627,472	11,535,354	0.8%
Unrestricted	73,216	74,627	2,851,994	2,007,024	2,925,210	2,081,651	40.5%
Total net position	$ 891,308	$ 930,481	$ 13,661,374	$ 12,686,524	$ 14,552,682	$ 13,617,005	6.9%

The District's condensed government-wide changes in net position for the years ended June 30, 2026 and 2025, are presented below.

Government-Wide Statement of Changes in Net Position

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2026	2025	2026	2025	2026	2025	2026–2025
Revenues							
Program revenues:							
Charges for services	$ 80,048	$ 76,423	$ 10,796,000	$ 11,046,792	$ 10,876,048	$ 11,123,215	-2.2%
Operating grants and contributions	-	36,076	-	-	-	36,076	-100.0%
General revenues:							
Property taxes	349,400	410,048	728,159	613,643	1,077,559	1,023,691	5.3%
Investment income	-	361	153,008	134,397	153,008	134,758	13.5%
Miscellaneous	2,016	13,966	33,322	(7,873)	35,338	6,093	480.0%
Total revenues	431,464	536,874	11,710,489	11,786,959	12,141,953	12,323,833	-1.5%
Expenses							
General government	2,069,287	2,260,106	-	-	2,069,287	2,260,106	-8.4%
Fire	204,255	265,857	-	-	204,255	265,857	-23.2%
Parks	8,785	7,188	-	-	8,785	7,188	22.2%
Cable	-	-	1,515	1,263	1,515	1,263	20.0%
Electric	-	-	4,983,978	4,946,137	4,983,978	4,946,137	0.8%
Employee housing	-	-	151,759	113,018	151,759	113,018	34.3%
Propane	-	-	867,099	1,211,285	867,099	1,211,285	-28.4%
Snow removal	-	-	572,778	591,429	572,778	591,429	-3.2%
Solid waste	-	-	252,109	160,670	252,109	160,670	56.9%
Water	-	-	689,184	428,187	689,184	428,187	61.0%
Wastewater	-	-	1,112,016	1,403,016	1,112,016	1,403,016	-20.7%
Total expenses	2,282,327	2,533,151	8,630,438	8,855,005	10,912,765	11,388,156	-4.2%
Excess (deficiency) before transfers and allocations	(1,850,863)	(1,996,277)	3,080,051	2,931,954	1,229,188	935,677	31.4%
Transfers	72,079	(82,288)	(72,079)	82,288	-	-	-
General and administrative allocations	1,844,464	2,039,392	(1,844,464)	(2,039,392)	-	-	-
Change in net position	65,680	(39,173)	1,163,508	974,850	1,229,188	935,677	31.4%
Net position—beginning of period	891,308	930,481	13,661,374	12,686,524	14,552,682	13,617,005	6.9%
Net position—end of period	$ 956,988	$ 891,308	$ 14,824,882	$ 13,661,374	$ 15,781,870	$ 14,552,682	8.4%

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2025	2024	2025	2024	2025	2024	2025–2024
Revenues							
Program revenues:							
Charges for services	$ 76,423	$ 82,049	$ 11,046,792	$ 10,511,346	$ 11,123,215	$ 10,593,395	5.0%
Operating grants and contributions	36,076	-	-	-	36,076	-	-
General revenues:							
Property taxes	410,048	315,087	613,643	713,213	1,023,691	1,028,300	-0.4%
Investment income	361	120	134,397	68,612	134,758	68,732	96.1%
Grant revenue	-	395,000	-	-	-	395,000	-100.0%
Miscellaneous	13,966	3,341	(7,873)	(10,645)	6,093	(7,304)	183.4%
Total revenues	536,874	795,597	11,786,959	11,282,526	12,323,833	12,078,123	2.0%
Expenses							
General government	2,260,106	1,975,874	-	-	2,260,106	1,975,874	14.4%
Fire	265,857	192,458	-	-	265,857	192,458	38.1%
Parks	7,188	14,043	-	-	7,188	14,043	-48.8%
Cable	-	-	1,263	281	1,263	281	349.5%
Electric	-	-	4,946,137	5,194,244	4,946,137	5,194,244	-4.8%
Employee housing	-	-	113,018	133,262	113,018	133,262	-15.2%
Propane	-	-	1,211,285	1,135,999	1,211,285	1,135,999	6.6%
Snow removal	-	-	591,429	460,472	591,429	460,472	28.4%
Solid waste	-	-	160,670	259,438	160,670	259,438	-38.1%
Water	-	-	428,187	358,641	428,187	358,641	19.4%
Wastewater	-	-	1,403,016	1,134,144	1,403,016	1,134,144	23.7%
Total expenses	2,533,151	2,182,375	8,855,005	8,676,481	11,388,156	10,858,856	4.9%
Excess (deficiency) before transfers and allocations	(1,996,277)	(1,386,778)	2,931,954	2,606,045	935,677	1,219,267	-23.3%
Transfers	(82,288)	-	82,288	(14,800)	-	(14,800)	100.0%
General and administrative allocations	2,039,392	1,907,135	(2,039,392)	(1,907,135)	-	-	-
Change in net position	(39,173)	520,357	974,850	684,110	935,677	1,204,467	-22.3%
Net position—beginning of period	930,481	410,124	12,686,524	12,002,414	13,617,005	12,412,538	9.7%
Net position—end of period	$ 891,308	$ 930,481	$ 13,661,374	$ 12,686,524	$ 14,552,682	$ 13,617,005	6.9%

Detailed Analyses

Governmental Activities and General Fund

Net position of governmental activities increased $65,680 in 2026, compared with a decrease of $39,173 in 2025. Governmental expenses decreased $0.3 million in 2026, from $2.5 million to $2.3 million. General government expenses decreased $190,819 driven primarily by decreased salaries and wages and internal utility expenses. Fire expenses decreased $61,602. Because general and administrative costs are allocated to the business-type activities, the lower general government costs also reduced the general and administrative allocation to business-type activities, from $2.0 million to $1.8 million.

Property taxes recognized in governmental activities decreased $60,648, to $349,400, although total District property taxes increased $53,868, to $1.1 million. Under its policy of allocating property taxes to departments as needed, the Board allocated a larger share of property taxes to the business-type activities in 2026. Grant revenue of $36,076 received by the Fire department in 2025 did not recur. The General Fund received a net transfer out of $72,079 from the proprietary fund in 2026, compared with a net transfer of $82,288 to the proprietary fund in 2025. As a result, General Fund balance increased $132,968, from $73,216 to $206,184.

The summarized statement of revenues, expenses, and changes in fund balance for the governmental fund is presented below.

Revenues, Expenditures and Changes in Fund Balance - Governmental Fund

	2026	2025	2024	Percentage Change 2025–2026	Percentage Change 2024–2025
Revenues					
General revenues	$ 82,064	$ 90,389	$ 85,390	-9.2%	5.9%
Investment income	-	361	120	-100.0%	200.8%
Grant revenue	-	36,076	395,000	-100.0%	-90.9%
Property taxes	349,400	410,048	315,087	-14.8%	30.1%
Total revenues	431,464	536,874	795,597	-19.6%	-32.5%
Expenditures					
General government	2,069,287	2,260,106	1,975,874	-8.4%	14.4%
Public protection	138,656	265,857	192,458	-47.8%	38.1%
Culture and recreation	7,096	7,188	14,043	-1.3%	-48.8%
Capital outlay	-	39,202	413,903	-100.0%	-90.5%
Total expenditures	2,215,039	2,572,353	2,596,278	-13.9%	-0.9%
Deficiency of revenues over expenditures	(1,783,575)	(2,035,479)	(1,800,681)	12.4%	-13.0%
Other financing sources (uses)					
Transfers	72,079	(82,288)	-	187.6%	-
General and administrative allocation out	2,053,987	2,343,365	2,175,443	-12.3%	7.7%
General and administrative allocation in	(209,523)	(227,009)	(205,493)	7.7%	-10.5%
Total other financing sources, net	1,916,543	2,034,068	1,969,950	-5.8%	3.3%
Net change in fund balance	132,968	(1,411)	169,269	9523.7%	-100.8%
Fund balance, beginning of year	73,216	74,627	(94,642)	-1.9%	178.9%
Fund balance, end of year	$ 206,184	$ 73,216	$ 74,627	181.6%	-1.9%

Business-Type Activities

Operating revenues decreased $250,792, or 2.3%, from $11.0 million to $10.8 million. Base rate revenue increased $467,027, or 9.5%, reflecting the water, wastewater, and propane rate increases that resulted from the rate studies completed in 2025 and electric rate adjustments under the 2021 electric rate study. Usage-based revenue declined: residential revenue decreased $204,236, or 10.3%, and commercial revenue decreased $521,453, or 19.6%, reflecting reduced utility consumption from lower visitor volumes resulting from unfavorable snowfall and snow conditions. By department, propane charges for services decreased $297,772 and electric charges decreased $103,708, while wastewater charges increased $102,987 and water charges increased $29,104. Rental income increased $38,413 following the addition of an employee housing condominium in FY2026.

Operating expenses decreased $378,954, or 4.2%, from $9.1 million to $8.8 million. Power, propane, and fuel costs decreased $197,471, or 10.8%, consistent with lower energy sales and the District's fixed-price monthly wholesale power purchase agreements. General and administrative allocations decreased $194,929, as discussed above, and salaries and benefits decreased $116,859, or 8.5% primarily attributable to changes in staffing and a vacancy in a senior management position. Pension expense decreased $64,571, to $394, based on the CalPERS measurement of the District's proportionate share of the plans. These decreases were partially offset by increases in operations and maintenance of $96,149 and contract services of $63,588 incurred due to emergency maintenance of underground lines, increased audit expenses, and professional fees related to the Proposition 218 process intended to establish additional funding for the fire department. Operating income increased $128,162, to $2.0 million.

Noncapital subsidies decreased $39,851, to $656,080. Property taxes allocated to the proprietary fund increased $114,516, to $728,159, while transfers changed from a net transfer in of $82,288 in 2025 to a net transfer out of $72,079 in 2026. Investment income and other increased $59,806, to $186,330. Investment income increased $18,611, to $153,008, reflecting higher average cash balances, and miscellaneous revenue was $33,322, compared with a net miscellaneous expense of $7,873 in 2025. Interest expense decreased $40,541, to $1.7 million, as principal on the RUS construction loans was repaid. Overall, the change in net position of business-type activities increased $188,658, to $1.2 million.

Results by department reflect these trends. Wastewater net program revenue increased $393,987, to $828,802, as charges for services increased and expenses decreased $291,000 primarily due to lower maintenance expenditures. Salaries, wages, and related employee benefit expenses also declined year over year, primarily attributable to staffing vacancies during the period. Water net program revenue decreased $231,893, to $192,818, as expenses increased $260,997 compared to the prior fiscal year, primarily attributable to costs associated with the water rate study, repairs resulting from a water main break, and increased water quality testing expenditures. Additional increases in salaries, wages, and related employee benefit expenses were attributable to personnel time dedicated to investigating elevated manganese concentrations detected in some wells and preparing a waiver application for submission to the State. Electric changed from net program revenue of $97,786 in 2025 to a net program expense of $43,763 in 2026, as charges for services declined while expenses were consistent with the prior year.

The District's net pension liability decreased $244,787, from $1.4 million to $1.1 million, and its total OPEB liability decreased $36,545, to $1.0 million. Deferred outflows of resources related to pensions decreased $163,775 and deferred inflows of resources related to pensions increased $157,901. These changes are based on the CalPERS and OPEB actuarial measurements.

The summarized statement of revenues, expenses, and changes in net position for the business-type activities, presented in accordance with GASB Statement No. 103, is presented below.

Business-Type Activities Statement of Revenues, Expenses, and Changes in Net Position

	2026	2025	2024	Percentage Change 2025–2026	Percentage Change 2024–2025
Operating revenues					
Residential	$ 1,783,954	$ 1,988,190	$ 1,952,142	-10.3%	1.8%
Commercial	2,142,663	2,664,116	2,491,948	-19.6%	6.9%
Snow removal	911,043	932,676	754,322	-2.3%	23.6%
Rental income	102,173	63,760	43,160	60.2%	47.7%
Other	462,444	471,354	550,313	-1.9%	-14.3%
Base rate	5,393,723	4,926,696	4,719,461	9.5%	4.4%
Total operating revenues	10,796,000	11,046,792	10,511,346	-2.3%	5.1%
Operating expenses					
Power, propane, and fuel	1,632,343	1,829,814	1,893,891	-10.8%	-3.4%
Salaries and benefits	1,262,269	1,379,128	1,260,967	-8.5%	9.4%
Operations and maintenance	1,237,666	1,141,517	1,095,382	8.4%	4.2%
Contract services	149,394	85,806	114,997	74.1%	-25.4%
Operating expenses	94,569	99,968	94,320	-5.4%	6.0%
OPEB expense (credit)	(46,170)	(63,739)	100,464	27.6%	-163.4%
Pension expense (credit)	394	64,965	(36,218)	-99.4%	279.4%
Depreciation	2,183,541	2,160,572	2,163,302	1.1%	-0.1%
Amortization	392,531	392,531	389,286	-	0.8%
General and administrative allocations	1,844,464	2,039,393	1,907,135	-9.6%	6.9%
Total operating expenses	8,751,001	9,129,955	8,983,526	-4.2%	1.6%
Operating income	2,044,999	1,916,837	1,527,820	6.7%	25.5%
Noncapital subsidies					
Property taxes	728,159	613,643	713,213	18.7%	-14.0%
Transfers	(72,079)	82,288	(14,800)	-187.6%	656.0%
Total noncapital subsidies	656,080	695,931	698,413	-5.7%	-0.4%
Operating income and noncapital subsidies	2,701,079	2,612,768	2,226,233	3.4%	17.4%
Other nonoperating revenues (expenses)					
Investment income and other	186,330	126,524	57,967	47.3%	118.3%
Interest expense	(1,723,901)	(1,764,442)	(1,600,090)	2.3%	-10.3%
Total other nonoperating expenses, net	(1,537,571)	(1,637,918)	(1,542,123)	6.1%	-6.2%
Change in net position	1,163,508	974,850	684,110	19.4%	42.5%
Net position, beginning of year	13,661,374	12,686,524	12,002,414	7.7%	5.7%
Net position, end of year	$ 14,824,882	$ 13,661,374	$ 12,686,524	8.5%	7.7%

Significant Capital Asset and Long-Term Financing Activity

Capital Assets

Capital assets include the plant used to provide electric, propane, water, wastewater, and other utility services to the District's service area, the electric intangible plant, and the fire protection and parks assets of the governmental activities. At June 30, 2026, the District had $62.6 million of capital assets, net, compared with $63.7 million at June 30, 2025, a decrease of $1.0 million. Depreciation and amortization of $2.6 million exceeded capital additions of $1.6 million.

The most significant activity was completion of the wastewater treatment plant rehabilitation project. During 2026, the District incurred $0.8 million of additional construction costs and transferred $6.8 million from construction in progress to wastewater plant in service, reducing construction in progress from $6.4 million to $0.4 million. Fully depreciated assets with an original cost of $1.7 million, primarily wastewater assets, were retired. Other additions included $0.6 million for the purchase of an employee housing condominium. In governmental activities, capital assets, net, decreased $67,288, to $750,804, due to depreciation, and fully depreciated fire department assets of $168,305 were retired.

As required by GASB Statement No. 104, the electric intangible plant—amounts paid to Pacific Gas & Electric Company to benefit from assets it owns—is disclosed separately in Note 3. The asset is amortized over 34 years and had a net carrying amount of $11.0 million at June 30, 2026.

Long-Term Debt

Long-term debt consists of RUS-guaranteed loans from the Federal Financing Bank, the RUS wastewater treatment plant loan, and notes payable to BMO and Five Star Bank. At June 30, 2026, the District had $52.4 million of long-term debt outstanding, compared with $52.0 million at June 30, 2025, an increase of $0.4 million to total debt outstanding.

During 2026, the District drew an additional $1.4 million on its CoBank interim construction loan to complete the wastewater treatment plant. Upon completion of the project, the District obtained a $7.2 million RUS loan and repaid the $7.1 million CoBank balance in full. The District also obtained a $460,000 note from Five Star Bank to finance the purchase of the employee housing condominium. Scheduled principal payments totaled $1.5 million, including $1.4 million on the RUS construction loans. The current portion of long-term debt is $3.5 million at June 30, 2026, including $3.3 million on the RUS construction loans. Borrowings from RUS are subject to debt service coverage and times interest earned covenants, and management believes the District was in compliance with all debt covenants at June 30, 2026.

Currently Known Facts, Decisions, or Conditions

The District purchases its power supply from Shell Energy North America under a contract that extends through December 2028. The District's fixed-price monthly wholesale power purchase agreements, which reduced its exposure to electric market price volatility, extended through June 30, 2026. For the expired agreement, the final cost of purchased power was $76.85/MWh. The new hedge agreement lists a contract price of $57.25/MWh, representing a potential savings of approximately $33,000 per year in the cost of purchased power.

The fiscal year 2026/27 operating and capital budgets adopted by the Board incorporate revenue assumptions from the water/wastewater and electric rate studies, maintaining the District's objective of recovering fixed costs through base rate revenues. The budget includes a $480,000 property tax allocation into the Fire Department, an increase from the prior year, and the planned refinancing of USDA RUS Note B8-3 ($1.3 million) over a seven-year period. No additional debt is anticipated. Capital expenditures are guided by infrastructure master plans, where available, and include a backhoe purchase, wells 4 and 5 improvements, PRV and East Lift equipment improvements, a propane vaporizer canopy, snow removal equipment repairs, and CSB/Fire Department boiler replacement. Scheduled principal payments on long-term debt will increase to $2.1 million in fiscal year 2026/27, from $1.5 million in fiscal year 2025/26. With the wastewater treatment plant in service, depreciation expense will reflect the $6.8 million of completed plant in future years.

Contacting the District's Financial Management

This financial report is designed to provide readers with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions about this report or requests for additional financial information can be directed to:

Kirkwood Meadows Public Utility District
Accounting & Finance Department
PO Box 247
33540 Loop Road
Kirkwood, CA 95646

Basic Financial Statements

Years Ended June 30, 2026 and 2025

Government-Wide Financial Statements

Kirkwood Meadows Public Utility District
Statement of Net Position
June 30, 2026

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Governmental Activities	Business-Type Activities	Total
CURRENT ASSETS			
Unrestricted cash and cash equivalents	$ 245,616	$ 6,959,150	$ 7,204,766
Accounts and other receivables	8,477	894,818	903,295
Property tax receivable	83,661	-	83,661
Materials and supplies	-	299,970	299,970
Prepaid expenses and other assets	27,213	376,102	403,315
Total current assets	364,967	8,530,040	8,895,007
NONCURRENT ASSETS			
Capital assets, net	671,963	61,491,653	62,163,616
Construction work in progress	78,841	390,018	468,859
Total noncurrent assets	750,804	61,881,671	62,632,475
Total assets	1,115,771	70,411,711	71,527,482
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to OPEB	-	83,662	83,662
Deferred outflows of resources related to pensions	-	350,811	350,811
Total deferred outflows of resources	-	434,473	434,473
Total assets and deferred outflows of resources	$ 1,115,771	$ 70,846,184	$ 71,961,955

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

CURRENT LIABILITIES			
Current portion of long-term debt	$ -	$ 3,523,089	$ 3,523,089
Accounts payable	44,846	125,859	170,705
Accrued expenses	79,778	14,428	94,206
Deposits	34,159	28,888	63,047
Total current liabilities	158,783	3,692,264	3,851,047
NONCURRENT LIABILITIES			
Long-term debt, net of current portion	-	48,892,466	48,892,466
Net OPEB liability	-	999,871	999,871
Net pension liability	-	1,115,037	1,115,037
Total noncurrent liabilities	-	51,007,374	51,007,374
Total liabilities	158,783	54,699,638	54,858,421
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to OPEB	-	1,152,107	1,152,107
Deferred inflows of resources related to pensions	-	169,557	169,557
Total deferred inflows of resources	-	1,321,664	1,321,664
NET POSITION			
Net investment in capital assets	750,804	9,466,116	10,216,920
Unrestricted	206,184	5,358,766	5,564,950
Total net position	956,988	14,824,882	15,781,870
Total liabilities, deferred inflows of resources, and net position	$ 1,115,771	$ 70,846,184	$ 71,961,955

See accompanying notes.

Kirkwood Meadows Public Utility District
Statement of Net Position
June 30, 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Governmental Activities	Business-Type Activities	Total
CURRENT ASSETS			
Unrestricted cash and cash equivalents	$ 218,016	$ 4,952,264	$ 5,170,280
Accounts and other receivables	5,650	593,840	599,490
Property tax receivable	92,193	-	92,193
Materials and supplies	-	281,688	281,688
Prepaid expenses and other assets	16,888	289,938	306,826
Total current assets	332,747	6,117,730	6,450,477
NONCURRENT ASSETS			
Capital assets, net	739,251	56,451,527	57,190,778
Construction work in progress	78,841	6,386,901	6,465,742
Total noncurrent assets	818,092	62,838,428	63,656,520
Total assets	1,150,839	68,956,158	70,106,997
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to OPEB	-	91,152	91,152
Deferred outflows of resources related to pensions	-	514,586	514,586
Total deferred outflows of resources	-	605,738	605,738
Total assets and deferred outflows of resources	$ 1,150,839	$ 69,561,896	$ 70,712,735

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

CURRENT LIABILITIES			
Current portion of long-term debt	$ -	$ 7,837,678	$ 7,837,678
Accounts payable	73,434	175,991	249,425
Accrued expenses	151,504	13,687	165,191
Deposits	34,593	28,183	62,776
Total current liabilities	259,531	8,055,539	8,315,070
NONCURRENT LIABILITIES			
Long-term debt, net of current portion	-	44,191,370	44,191,370
Net OPEB liability	-	1,036,416	1,036,416
Net pension liability	-	1,359,824	1,359,824
Total noncurrent liabilities	-	46,587,610	46,587,610
Total liabilities	259,531	54,643,149	54,902,680
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to OPEB	-	1,245,717	1,245,717
Deferred inflows of resources related to pensions	-	11,656	11,656
Total deferred inflows of resources	-	1,257,373	1,257,373
NET POSITION			
Net investment in capital assets	818,092	10,809,380	11,627,472
Unrestricted	73,216	2,851,994	2,925,210
Total net position	891,308	13,661,374	14,552,682
Total liabilities, deferred inflows of resources, and net position	$ 1,150,839	$ 69,561,896	$ 70,712,735

See accompanying notes.

Kirkwood Meadows Public Utility District
Statement of Activities
Year Ended June 30, 2026

		Program Revenues		*Net (Expense) Revenue and Change in Net Position*		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES						
General government	$ 2,069,287	$ -	$ -	$ (2,069,287)	$ -	$ (2,069,287)
Fire	204,255	80,048	-	(124,207)	-	(124,207)
Parks	8,785	-	-	(8,785)	-	(8,785)
Total governmental activities	2,282,327	80,048	-	(2,202,279)	-	(2,202,279)
BUSINESS-TYPE ACTIVITIES						
Cable	1,515	10,329	-	-	8,814	8,814
Electric	4,983,978	4,940,215	-	-	(43,763)	(43,763)
Employee housing	151,759	102,173	-	-	(49,586)	(49,586)
Propane	867,099	1,609,298	-	-	742,199	742,199
Snow removal	572,778	911,043	-	-	338,265	338,265
Solid waste	252,109	400,122	-	-	148,013	148,013
Water	689,184	882,002	-	-	192,818	192,818
Wastewater	1,112,016	1,940,818	-	-	828,802	828,802
Total business-type activities	8,630,438	10,796,000	-	-	2,165,562	2,165,562
Total	$ 10,912,765	$ 10,876,048	$ -	(2,202,279)	2,165,562	(36,717)
GENERAL REVENUES						
Investment income				-	153,008	153,008
Property taxes				349,400	728,159	1,077,559
Miscellaneous				2,016	33,322	35,338
Total general revenues				351,416	914,489	1,265,905
TRANSFERS				72,079	(72,079)	-
GENERAL AND ADMINISTRATIVE ALLOCATIONS				1,844,464	(1,844,464)	-
CHANGE IN NET POSITION				65,680	1,163,508	1,229,188
NET POSITION, beginning of year				891,308	13,661,374	14,552,682
NET POSITION, end of year				$ 956,988	$ 14,824,882	$ 15,781,870

See accompanying notes.

Kirkwood Meadows Public Utility District
Statement of Activities
Year Ended June 30, 2025

		Program Revenues		*Net (Expense) Revenue and Change in Net Position*		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES						
General government	$ 2,260,106	$ -	$ -	$ (2,260,106)	$ -	$ (2,260,106)
Fire	265,857	76,423	36,076	(153,358)	-	(153,358)
Parks	7,188	-	-	(7,188)	-	(7,188)
Total governmental activities	2,533,151	76,423	36,076	(2,420,652)	-	(2,420,652)
BUSINESS-TYPE ACTIVITIES						
Cable	1,263	11,078	-	-	9,815	9,815
Electric	4,946,137	5,043,923	-	-	97,786	97,786
Employee housing	113,018	63,760	-	-	(49,258)	(49,258)
Propane	1,211,285	1,907,070	-	-	695,785	695,785
Snow removal	591,429	932,676	-	-	341,247	341,247
Solid waste	160,670	397,556	-	-	236,886	236,886
Water	428,187	852,898	-	-	424,711	424,711
Wastewater	1,403,016	1,837,831	-	-	434,815	434,815
Total business-type activities	8,855,005	11,046,792	-	-	2,191,787	2,191,787
Total	$ 11,388,156	$ 11,123,215	$ 36,076	(2,420,652)	2,191,787	(228,865)
GENERAL REVENUES						
Investment income				361	134,397	134,758
Property taxes				410,048	613,643	1,023,691
Miscellaneous				13,966	(7,873)	6,093
Total general revenues				424,375	740,167	1,164,542
TRANSFERS				(82,288)	82,288	-
GENERAL AND ADMINISTRATIVE ALLOCATIONS				2,039,392	(2,039,392)	-
CHANGE IN NET POSITION				(39,173)	974,850	935,677
NET POSITION, beginning of year				930,481	12,686,524	13,617,005
NET POSITION, end of year				$ 891,308	$ 13,661,374	$ 14,552,682

See accompanying notes.

Fund Financial Statements – Governmental Funds

Kirkwood Meadows Public Utility District
Balance Sheet
June 30, 2026

	General Fund	Total Governmental Funds
ASSETS		
Unrestricted cash and cash equivalents	$ 245,616	$ 245,616
Accounts and other receivables, net	8,477	8,477
Property tax accounts receivable	83,661	83,661
Prepaid expenses	27,213	27,213
Total current assets	$ 364,967	$ 364,967
LIABILITIES		
Accounts payable	$ 44,846	$ 44,846
Other accrued liabilities	79,778	79,778
Deposits	34,159	34,159
Total current liabilities	158,783	158,783
FUND BALANCES		
Unassigned	206,184	206,184
Total fund balances	206,184	206,184
Total liabilities and fund balances	$ 364,967	$ 364,967
RECONCILIATION TO STATEMENT OF NET POSITION		
Amounts reported for governmental activities in the statement of net position are different because		
Capital assets used in governmental activities $1,314,243, net of accumulated depreciation of $642,280, along with $78,841 construction in progress are not financial resources and, therefore, are not reported in the fund		750,804
Net position of governmental activities		$ 956,988

See accompanying notes.

Kirkwood Meadows Public Utility District
Balance Sheet
June 30, 2025

	General Fund	Total Governmental Funds
ASSETS		
Unrestricted cash and cash equivalents	$ 218,016	$ 218,016
Accounts and other receivables, net	5,650	5,650
Property tax accounts receivable	92,193	92,193
Prepaid expenses	16,888	16,888
Total current assets	$ 332,747	$ 332,747
LIABILITIES		
Accounts payable	$ 73,434	$ 73,434
Other accrued liabilities	151,504	151,504
Deposits	34,593	34,593
Total current liabilities	259,531	259,531
FUND BALANCES		
Unassigned	73,216	73,216
Total fund balances	73,216	73,216
Total liabilities and fund balances	$ 332,747	332,747
RECONCILIATION TO STATEMENT OF NET POSITION		
Amounts reported for governmental activities in the statement of net position are different because		
Capital assets used in governmental activities of $1,482,548, net of accumulated depreciation of $743,297, along with $78,841 of construction work in progress are not financial resources and, therefore, are not reported in the fund		818,092
Net position of governmental activities		$ 891,308

See accompanying notes.

Kirkwood Meadows Public Utility District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Years Ended June 30, 2026 and 2025

	2026	2025
GENERAL FUND		
REVENUES		
General revenues	$ 82,064	$ 90,389
Investment income	-	361
Grant revenue	-	36,076
Property taxes	349,400	410,048
Total revenues	431,464	536,874
EXPENDITURES		
General government	2,069,287	2,260,106
Public protection	138,656	265,857
Culture and recreation	7,096	7,188
Capital outlay	-	39,202
Total expenditures	2,215,039	2,572,353
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,783,575)	(2,035,479)
OTHER FINANCING SOURCES (USES)		
Transfers	72,079	(82,288)
General and administrative allocation out	2,053,987	2,343,365
General and administrative allocation in	(209,523)	(227,009)
Total other financing sources, net	1,916,543	2,034,068
NET CHANGE IN FUND BALANCES	132,968	(1,411)
FUND BALANCE, beginning of year	73,216	74,627
FUND BALANCE, end of year	$ 206,184	$ 73,216

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

	2026	2025
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 132,968	$ (1,411)
Amounts reported for governmental activities in the statement of activities and changes in net position are different because Governmental funds report capital outlays as expenditures.However, in the statement of activities and changes in net position, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense.		
Expenditures for capital outlay	-	39,202
Current-year depreciation expense	(67,288)	(76,964)
	(67,288)	(37,762)
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 65,680	$ (39,173)

See accompanying notes.

Fund Financial Statements – Proprietary Funds

Kirkwood Meadows Public Utility District
Statement of Net Position
June 30, 2026 and 2025

	2026	2025
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Unrestricted cash and cash equivalents	$ 6,959,150	$ 4,952,264
Accounts and other receivables	894,818	593,840
Materials and supplies	299,970	281,688
Prepaid expenses	376,102	289,938
Total current assets	8,530,040	6,117,730
NONCURRENT ASSETS		
Capital assets, net	61,491,653	56,451,527
Work in progress	390,018	6,386,901
Total noncurrent assets	61,881,671	62,838,428
Total assets	70,411,711	68,956,158
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to OPEB	83,662	91,152
Deferred outflows of resources related to pensions	350,811	514,586
Total deferred outflows of resources	434,473	605,738
Total assets and deferred outflows of resources	$ 70,846,184	$ 69,561,896
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Current portion of long-term debt	$ 3,523,089	$ 7,837,678
Accounts payable	125,859	175,991
Accrued expenses	14,428	13,687
Customer deposits	28,888	28,183
Total current liabilities	3,692,264	8,055,539
NONCURRENT LIABILITIES		
Long-term debt, net of current portion	48,892,466	44,191,370
Net OPEB liability	999,871	1,036,416
Net pension liability	1,115,037	1,359,824
Total noncurrent liabilities	51,007,374	46,587,610
Total liabilities	54,699,638	54,643,149
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to OPEB	1,152,107	1,245,717
Deferred inflows of resources related to pensions	169,557	11,656
Total deferred inflows of resources	1,321,664	1,257,373
NET POSITION		
Net investment in capital assets	9,466,116	10,809,380
Unrestricted	5,358,766	2,851,994
Total net position	14,824,882	13,661,374
Total liabilities, deferred inflows of resources, and net position	$ 70,846,184	$ 69,561,896

See accompanying notes.

Kirkwood Meadows Public Utility District
Statement of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2026 and 2025

	2026	2025 as restated
OPERATING REVENUES		
Residential	$ 1,783,954	$ 1,988,190
Commercial	2,142,663	2,664,116
Snow removal	911,043	932,676
Rental income	102,173	63,760
Other	462,444	471,354
Base rate	5,393,723	4,926,696
Total operating revenues	10,796,000	11,046,792
OPERATING EXPENSES		
Power, propane, and fuel	1,632,343	1,829,814
Salaries and benefits	1,262,269	1,379,128
Operations and maintenance	1,237,666	1,141,517
Contract services	149,394	85,806
Operating expenses	94,569	99,968
OPEB expense/(credit)	(46,170)	(63,739)
Pension expense/(credit)	394	64,965
Depreciation	2,183,541	2,160,572
Amortization	392,531	392,531
General and administrative allocations	1,844,464	2,039,393
Total operating expenses	8,751,001	9,129,955
Operating income	2,044,999	1,916,837
NONCAPITAL SUBSIDIES		
Property taxes	728,159	613,643
Transfers	(72,079)	82,288
Total noncapital subsidies	656,080	695,931
Operating income and noncapital subsidies	2,701,079	2,612,768
OTHER NONOPERATING REVENUES (EXPENSES)		
Investment income and other	186,330	126,524
Interest expense	(1,723,901)	(1,764,442)
Total other nonoperating revenues (expenses), net	(1,537,571)	(1,637,918)
CHANGE IN NET POSITION	1,163,508	974,850
NET POSITION, beginning of year	13,661,374	12,686,524
NET POSITION, end of year	$ 14,824,882	$ 13,661,374

See accompanying notes.

Kirkwood Meadows Public Utility District
Statement of Cash Flows
Years Ended June 30, 2026 and 2025

	2026	2025 as restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 10,495,022	$ 11,376,237
Payments to suppliers and governmental funds	(5,111,568)	(6,417,671)
Payments to employees	(1,262,269)	(1,249,727)
Net cash from operating activities	4,121,185	3,708,839
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes received	728,159	613,643
Transfers (to) from other funds	(72,079)	82,288
Other nonoperating receipts	33,322	-
Net cash from noncapital financing activities	689,402	695,931
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(1,619,315)	(2,309,115)
Proceeds from long-term debt	9,007,490	2,410,016
Long-term debt — principal paid	(8,620,983)	(2,848,232)
Interest paid on long-term debt	(1,723,901)	(1,764,442)
Net cash from capital and related financing activities	(2,956,709)	(4,511,773)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and investment income received	153,008	126,524
Net cash from investing activities	153,008	126,524
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,006,886	19,521
CASH AND CASH EQUIVALENTS, beginning of year	4,952,264	4,932,743
CASH AND CASH EQUIVALENTS, end of year	$ 6,959,150	$ 4,952,264
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES		
Operating income (loss)	$ 2,044,999	$ 1,916,837
Adjustments to reconcile operating income to net cash from operating activities		
Depreciation and amortization	2,576,072	2,553,103
Pension and OPEB items	(45,776)	65,573
Changes in assets and liabilities		
Accounts receivable	(300,978)	183
Materials and supplies	(18,282)	(87,614)
Prepaid expenses	(86,164)	4,937
Accounts payable	(50,132)	(748,217)
Customer deposits	705	4,119
Accrued expenses	741	(82)
Net cash from operating activities	$ 4,121,185	$ 3,708,839

See accompanying notes.

Fund Financial Statements – Fiduciary Fund

Kirkwood Meadows Public Utility District
Statement of Fiduciary Net Position - June 30, 2026 and 2025 - Custodial Fund

STATEMENT OF FIDUCIARY NET POSITION	2026	2025
Assets		
Cash held by the District	$ 1,121,442	$ 1,052,696
Property tax receivable	18,752	4,665
Total assets	1,140,194	1,057,361
Liabilities		
Restricted liability	1,140,194	1,057,361
Total liabilities	1,140,194	1,057,361
Fiduciary net position	**$ -**	**$ -**

Kirkwood Meadows Public Utility District
Statement of Changes in Fiduciary Net Position - Years Ended June 30, 2026 and 2025 - Custodial Fund

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	2026	2025
Receipts on Community Facilities District Taxes	$ 521,823	$ 398,937
Fund transfers to Community Facilities Districts	(521,823)	(398,937)
CHANGE IN NET POSITION	-	-
FIDUCIARY NET POSITION, beginning of year	-	-
FIDUCIARY NET POSITION, end of year	**$ -**	**$ -**

See accompanying notes.

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of Kirkwood Meadows Public Utility District (the District) are prepared in accordance with accounting principles generally accepted in the United States of America as defined by the Governmental Accounting Standards Board (GASB). Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Significant financial accounting and reporting policies for the District are discussed below.

Reporting entity – The District was formed by resolution of the Local Agency Formation Commission (LAFCO) of the County of Alpine on May 22, 1984, as a detachment from El Dorado Irrigation District in the counties of Alpine, Amador, and El Dorado. The District's formation was also pursuant to all the provisions of the Public Utility Code, Division 7, Chapter 2, and all applicable state of California election laws. The District is governed by a five-member board of directors, which is elected by the residents of the District.

The District is currently responsible for the operation of the community's propane, electric, water supply, wastewater collection and treatment facilities, solid waste management, volunteer fire department, park/recreational facilities, and snow removal. The District began providing electricity and propane services on July 22, 2011, as a result of acquiring the existing electric and propane gas systems from Mountain Utilities, LLC.

The District has created KMPUD Public Facilities Corporation, a nonprofit public benefit corporation for the purpose of financing the acquisition and construction of various public facilities, structures, and other public buildings in the District. Although legally separate from the District, the Public Facilities Corporation is a blended component unit, reported as if it were a part of the primary government because it shares substantively the same governing body in a common board of directors. The Public Facilities Corporation had no significant financial transactions in the current fiscal year.

Government-wide financial statements – The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary governmental and business-type activities of the District. Governmental activities are financed primarily through property taxes and charges for services. The government-wide statement of activities reflects the cost of programs and functions reduced by directly associated revenues (charges for services and operating grants) to arrive at the net revenue or expense for each program and function. Net program revenue or expense is then adjusted for general revenues to determine the change in net position for the year. Indirect expenses, such as support services and administration incurred in the general government, and other functions/activities are allocated to programs/functions that they may benefit.

Separate financial statements are provided for the governmental funds and the proprietary funds, as well as the fiduciary fund, even though the fiduciary fund is excluded from the government-wide financial statements.

Measurement focus, basis of accounting, and financial statement presentation – The government-wide financial statements are reported on the flow of economic resources measurement focus and use the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing and related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. On an accrual basis, revenue from grants, entitlements, and donations is recognized in the fiscal year in which eligibility requirements have been satisfied.

The governmental funds financial statements use a flow of current financial resources measurement focus. With this measurement focus, generally only current assets and current liabilities are included in the balance sheet. Statements of revenues, expenditures, and changes in fund balances of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Revenue is determined to be measurable when the transaction amount is determinable and available when it is collectible within the current fiscal year or 90 days to pay liabilities of the current fiscal year.

The proprietary funds and the fiduciary fund are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable, and expenses in the accounting period in which they are incurred and become

measurable. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the fund statement of net position. The total net position is segregated into net investment in capital assets, restricted, and unrestricted net position.

The fiduciary fund accounts for arrangements with the Kirkwood Meadows Public Utility District's Community Facilities District as more fully described in Note 7 to the financial statements.

Fair value measurement – The framework for measuring fair value provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Use of estimates – The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents – Cash and cash equivalents include cash on hand, deposits with banks, and other highly liquid investments with original maturities of three months or less. The deposits in Local Agency Investment Funds (LAIF) are considered to be a cash equivalent as they can be withdrawn on demand. The District maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000 per depositor, deposits in excess are fully collateralized per Government Code of the State of California section 53630.

Accounts and other receivables – Accounts receivable primarily represent user charges for service, which are recognized as earned. The District discontinues services on delinquent accounts until payment is received; substantially all accounts are collectible. Accordingly, no allowance has been recorded. Receivables are written off when the District determines an account to be uncollectible.

Revenue recognition and classification – Revenue for services provided is recognized as earned on a monthly basis, based on rates established by the District's Board of Directors. The District records revenue billed to its customers when meters are read at month-end.

In accordance with GASB Statement No. 103, the proprietary fund distinguishes operating revenues and expenses from noncapital subsidies and other nonoperating revenues and expenses. Nonoperating revenues and expenses consist of capital subsidies received and provided, revenues and expenses related to financing, resources from the disposal of capital assets and inventory, and investment income and expenses. All other revenues and expenses are reported as operating. Operating revenues consist primarily of charges for electric, propane, water, wastewater, solid waste, snow removal and cable services, and rental income from employee housing. Operating expenses include the costs of providing these services, general and administrative expenses, and depreciation and amortization of capital assets.

Noncapital subsidies are resources received from or provided to another party or fund in a nonexchange transaction that keep the proprietary fund's current or future rates and charges lower than they would otherwise be. Property taxes allocated to the proprietary fund by the Board of Directors and transfers between the General Fund and the proprietary fund are reported as noncapital subsidies, immediately following operating income (loss). Investment income and interest expense on long-term debt are reported as other nonoperating revenues (expenses).

Interfund transactions – During the course of operation, transactions occur between individual funds for goods provided or services rendered. Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed. All other interfund transfers are reported as interfund allocations and eliminated in the government-wide financial statements.

Property taxes – The District receives property taxes from Alpine, Amador, and El Dorado Counties. Property taxes receivable are recorded in the fiscal year for which the tax is levied based on the assessed value as of September 1 of the preceding fiscal year. They become a lien on the first day of the year they are levied. Secured property tax is levied on September 1 and due in two installments, on November 1 and March 1. They become delinquent on December 10 and April

10, respectively. Unsecured property taxes are due on July 1, and become delinquent on August 31. The District has a policy to allocate property tax to departments as needed. No allowance has been deemed necessary.

Materials and supplies – Materials and supplies are recorded at a weighted-average cost basis.

Capital assets – Capital assets are reported in the applicable financial statements at cost. Costs include labor, materials, and related indirect costs, such as engineering, used during construction. The costs of additions, renewals, and betterments are capitalized. Projects constructed by others and contributed to the District are stated at fair value. Repairs and minor replacements are charged to operating expenses. A capitalization threshold of $1,000 is used to report capital assets. The cost of property and removal, less salvage, is charged to accumulated depreciation when property is retired. Depreciation is computed on assets placed in service using a straight-line method over their estimated useful lives. The range of estimated useful lives by type of assets is as follows:

Buildings and improvements	10 to 40 years
Infrastructure	20 to 40 years
Machinery and equipment	5 to 15 years
Intangible plant	34 years

Compensated absences – The District recognizes a liability for compensated absences when earned and are more likely than not to be used or paid upon separation. The liability is measured using current employee pay rates and includes related salary costs.

Income taxes – The District is exempt from federal and state income taxes; consequently, no provision for income taxes is included in the accompanying financial statements for any fund.

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

Other post-employment benefits (OPEB) – For purposes of measuring the total OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, additions to/deductions from the OPEB fiduciary net position have been determined based on an independent actuarial valuation. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Deferred outflows/inflows – Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until that time. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. Deferred outflows and inflows of resources consist of the District's deferred inflows and outflows related to pension and OPEB plans.

Budgets – The board of directors annually adopts an operating budget. The operating budgets are prepared on the modified accrual basis. Budgetary comparison schedules have been provided for the governmental fund by department to demonstrate compliance with the budgets. Board policy is to not update the budget during the year and therefore one column is presented in the RSI for the original and final budgets.

Net position – Net position comprises the various net earnings from operations, nonoperating revenues, expenses, and contributions of capital. Net position is classified in the following three categories:

Net investment in capital assets – Consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balance of any notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets offset by any unspent proceeds of these borrowings.

Restricted – Consists of external constraints placed on net position used by creditors, grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – Consists of all other funds that are not included in the other categories previously mentioned.

Fund balances – As of June 30, 2026 and 2025, fund balances of the governmental funds are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District did not have any nonspendable balances at June 30, 2026 or 2025.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the District. The board of directors has the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the board of directors. The District did not have any committed balances at June 30, 2026 or 2025.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes. This intent can be expressed by the board of directors or through the delegation of this responsibility to the General Manager. The District did not have any assigned balances at June 30, 2026 or 2025.

Unassigned – Consists of all amounts not included in the other classifications previously mentioned.

The District would typically use assigned resources as appropriate opportunities arise but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Change in accounting principle – Effective July 1, 2025, the District adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. The Statement establishes requirements for management's discussion and analysis, the reporting of unusual or infrequent items, the presentation of the proprietary fund statement of revenues, expenses, and changes in net position, the presentation of major component unit information, and budgetary comparison information.

As required by the Statement, the District applied these provisions retroactively. The proprietary fund statement of revenues, expenses, and changes in net position now presents noncapital subsidies separately, immediately following operating income (loss), followed by a subtotal for operating income (loss) and noncapital subsidies. For the year ended June 30, 2025, property taxes of $613,643 and transfers of $82,288, previously reported as nonoperating revenues, have been reclassified as noncapital subsidies. In addition, the 2025 statement of cash flows has been restated to conform to the current-year presentation. The restatement had no effect on the net change in cash and cash equivalents. Receipts from property taxes and other nonoperating revenues and expenses of $822,455, previously reported as a single line within noncapital financing activities, are now presented as property taxes received of $613,643 and transfers from other funds of $82,288 within noncapital financing activities. Budgetary comparison information is presented as required supplementary information and includes variances between the original and final budgets and between the final budget and actual amounts. The District had no unusual or infrequent items and no discretely presented component units; accordingly, those provisions did not affect the financial statements.

The adoption of GASB Statement No. 103 changed the classification and presentation of certain amounts but had no effect on net position as of July 1, 2024 or June 30, 2025, or on the change in net position for the year ended June 30, 2025.

Implementation of GASB Statement No. 104 – For the year ended June 30, 2026, the District implemented GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The Statement requires lease assets, subscription assets and other intangible assets to be disclosed separately by major class, and requires disclosure of capital assets held for sale. The District's electric intangible plant is disclosed separately in Note 3. Implementation had no effect on net position.

Note 2 – Cash and Cash Equivalents

The District's cash and cash equivalents consist of the following at June 30:

	Governmental Activities	Business-Type Activities	Fiduciary Fund	Total
		2026		
Cash deposits in bank demand accounts	$ 245,616	$ 6,946,748	$ 1,121,442	$ 8,313,806
Deposit in LAIF	-	12,402	-	12,402
Total cash and cash equivalents	$ 245,616	$ 6,959,150	$ 1,121,442	$ 8,326,208
		2025		
Cash deposits in bank demand accounts	$ 218,016	$ 4,940,368	$ 1,052,696	$ 6,211,080
Deposit in LAIF	-	11,896	-	11,896
Total cash and cash equivalents	$ 218,016	$ 4,952,264	$ 1,052,696	$ 6,222,976

There were no restricted cash and cash equivalent requirements for fiscal years 2026 and 2025.

Interest rate risk – In accordance with its investment policy, the District manages its exposure to declines in fair value of its investments by limiting its deposits to the California Treasurer's Local Agency Investment Fund (LAIF).

Statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, the State Treasurer's Investment Fund, and deposits with banks, mutual savings banks, and savings and loan associations as provided for in the California Government Code Section 53600, Chapter 4 – Financial Affairs.

The District has cash deposits with the LAIF, an external investment pool of the state of California. The LAIF is a voluntary program created by statute as an investment alternative for California's local governments and special districts. The enabling legislation for the LAIF is Section 16429.1 et seq. of the California Government Code. The State Treasurer's Office is audited by the Bureau of State Audits on an annual basis and the resulting opinion is posted to the State Treasurer's Office website following its publication. The Bureau of State Audits also has a continuing audit process throughout the year. All deposits and LAIF claims are audited on a daily basis by the State Controller's Office, as well as an in-house audit process involving three separate divisions.

Custodial credit risk – Custodial credit risk on investments is the risk that in the event of a failure of the counterparty, the District will not be able to recover the value of its deposits that are in the possession of an outside party. The District does not have an investment policy to address custodial credit risk; however, deposits are held by third-party custodians in the District's name. The deposits in LAIF are not classified in categories of credit risk. The District's funds in LAIF are invested in a diversified portfolio (of underlying investments, e.g., U.S. Treasury obligations) such that it considers the risk of material loss to be minimal. The funds held in LAIF can be withdrawn on demand; therefore, they are classified as cash equivalents on the statements of net position.

Note 3 – Capital Assets

A summary of the governmental activities capital assets for the years ended June 30 is as follows:

	June 30, 2025	Increases	Decreases	Transfers/ Adjustments	June 30, 2026
Capital assets not being depreciated					
Land	$ -	$ -	$ -	$ -	$ -
Construction in progress	78,841	-	-	-	78,841
Total capital assets not being depreciated	78,841	-	-	-	78,841
Capital assets being depreciated					
Buildings and improvements	81,218	-	-	-	81,218
Infrastructure	-	-	-	-	-
Machinery and equipment	1,401,330	-	(168,305)	-	1,233,025
Total capital assets being depreciated	1,482,548	-	(168,305)	-	1,314,243
Less accumulated depreciation for:					
Buildings and improvements	(14,191)	(2,813)	-	-	(17,004)
Infrastructure	-	-	-	-	-
Machinery and equipment	(729,106)	(64,475)	168,305	-	(625,276)
Total accumulated depreciation	(743,297)	(67,288)	168,305	-	(642,280)
Net capital assets being depreciated	739,251	(67,288)	-	-	671,963
Intangible assets being amortized					
Intangible plant	-	-	-	-	-
Less accumulated amortization	-	-	-	-	-
Net intangible assets being amortized	-	-	-	-	-
Capital assets, net	$ 818,092	$ (67,288)	$ -	$ -	$ 750,804

	June 30, 2024	Increases	Decreases	Transfers/ Adjustments	June 30, 2025
Capital assets not being depreciated					
Land	$ -	$ -	$ -	$ -	$ -
Construction in progress	111,850	769	-	(33,778)	78,841
Total capital assets not being depreciated	111,850	769	-	(33,778)	78,841
Capital assets being depreciated					
Buildings and improvements	81,218	-	-	-	81,218
Infrastructure	-	-	-	-	-
Machinery and equipment	1,407,146	38,433	(78,027)	33,778	1,401,330
Total capital assets being depreciated	1,488,364	38,433	(78,027)	33,778	1,482,548
Less accumulated depreciation for:					
Buildings and improvements	(11,197)	(2,994)	-	-	(14,191)
Infrastructure	-	-	-	-	-
Machinery and equipment	(733,163)	(73,970)	78,027	-	(729,106)
Total accumulated depreciation	(744,360)	(76,964)	78,027	-	(743,297)
Net capital assets being depreciated	744,004	(38,531)	-	33,778	739,251
Intangible assets being amortized					
Intangible plant	-	-	-	-	-
Less accumulated amortization	-	-	-	-	-
Net intangible assets being amortized	-	-	-	-	-
Capital assets, net	$ 855,854	$ (37,762)	$ -	$ -	$ 818,092

A summary of the business-type activities capital assets for the years ended June 30 is as follows:

	June 30, 2025	Increases	Decreases	Transfers/ Adjustments	June 30, 2026
Capital assets not being depreciated					
Land	$ 164,728	$ -	$ -	$ -	$ 164,728
Construction in progress	6,386,901	789,750	-	(6,786,633)	390,018
Total capital assets not being depreciated	6,551,629	789,750	-	(6,786,633)	554,746
Capital assets being depreciated					
Buildings and improvements	13,039,596	612,980	(1,256,370)	6,777,926	19,174,132
Infrastructure	44,525,634	-	(7,261)	8,707	44,527,080
Machinery and equipment	21,538,245	216,585	(448,285)	-	21,306,545
Total capital assets being depreciated	79,103,475	829,565	(1,711,916)	6,786,633	85,007,757
Less accumulated depreciation for:					
Buildings and improvements	(7,382,120)	(330,390)	1,256,370	-	(6,456,140)
Infrastructure	(15,569,612)	(1,087,900)	7,261	-	(16,650,251)
Machinery and equipment	(11,305,679)	(725,683)	448,285	-	(11,583,077)
Total accumulated depreciation	(34,257,411)	(2,143,973)	1,711,916	-	(34,689,468)
Net capital assets being depreciated	44,846,064	(1,314,408)	-	6,786,633	50,318,289
Intangible assets being amortized					
Intangible plant	15,282,345	-	-	-	15,282,345
Less accumulated amortization	(3,841,610)	(432,099)	-	-	(4,273,709)
Net intangible assets being amortized	11,440,735	(432,099)	-	-	11,008,636
Capital assets, net	$ 62,838,428	$ (956,757)	$ -	$ -	$ 61,881,671

	June 30, 2024	Increases	Decreases	Transfers/ Adjustments	June 30, 2025
Capital assets not being depreciated					
Land	$ 164,728	$ -	$ -	$ -	$ 164,728
Construction in progress	4,279,117	2,107,784	-	-	6,386,901
Total capital assets not being depreciated	4,443,845	2,107,784	-	-	6,551,629
Capital assets being depreciated					
Buildings and improvements	13,043,052	-	(3,456)	-	13,039,596
Infrastructure	44,492,216	33,418	-	-	44,525,634
Machinery and equipment	21,565,061	134,135	(160,951)	-	21,538,245
Total capital assets being depreciated	79,100,329	167,553	(164,407)	-	79,103,475
Less accumulated depreciation for:					
Buildings and improvements	(7,041,678)	(343,206)	2,764	-	(7,382,120)
Infrastructure	(14,439,757)	(1,129,855)	-	-	(15,569,612)
Machinery and equipment	(10,788,818)	(645,587)	128,726	-	(11,305,679)
Total accumulated depreciation	(32,270,253)	(2,118,648)	131,490	-	(34,257,411)
Net capital assets being depreciated	46,830,076	(1,951,095)	(32,917)	-	44,846,064
Intangible assets being amortized					
Intangible plant	15,282,345	-	-	-	15,282,345
Less accumulated amortization	(3,409,502)	(432,108)	-	-	(3,841,610)
Net intangible assets being amortized	11,872,843	(432,108)	-	-	11,440,735
Capital assets, net	$ 63,146,764	$ (275,419)	$ (32,917)	$ -	$ 62,838,428

Electric intangible plant represents amounts paid by the District to benefit from the assets owned by Pacific Gas & Electric Company (PG&E). During the year ended June 30, 2019, the District transferred certain infrastructure plant to PG&E in conjunction with an ongoing power supply agreement. The District transferred $8.9 million from electric plant to electric intangible plant. Additionally, the District paid PG&E $6.4 million in order to transfer the cost of ownership maintenance to PG&E. This amount has been recorded as an asset and the District is amortizing the total over a 34-year period. The District recorded related amortization of $432,099 and $432,108 during the years ended June 30, 2026 and 2025.

Note 4 – Long-Term Debt

On September 25, 2012, the District obtained a loan guarantee commitment from RUS. Under this commitment, RUS guaranteed a loan of $50,000,000 from the Federal Financing Bank (FFB). The proceeds of the loan were used by the District to finance projects as described in their loan application, including the initial purchase of the electric utility and the construction of transmission lines providing power to the District from outside suppliers. The District began drawing on RUS funds during 2013 and by the end of the 2015 fiscal year had received and expended all amounts in full. Interest rates on the individual loan draws range from 0.435% to 3.592% with various maturities through 2047.

On June 3, 2014, the District obtained a loan guarantee commitment from RUS. Under this commitment, RUS guaranteed a loan of $8,000,000 from the FFB. The proceeds of the loan were to be used by the District to finance projects as described in their loan application including the construction of transmission lines that will provide power to the District from outside suppliers. The District began drawing on these funds during 2014 and had received and expended all amounts in full by the end of the 2015 fiscal year. Interest rates on the individual loan draws range from 0.081% to 5.11% with various maturities through 2035.

On June 4, 2018, the District obtained a loan guarantee commitment from RUS. Under this commitment, RUS guaranteed a loan of $3,765,000 from the FFB. The proceeds of the loan were to be used by the District to finance projects as described in their loan application including system extensions and additions. The District began drawing on these funds during 2019 and had received and expended all amounts in full by the end of the 2019 fiscal year. The interest rate on the loan draw is 2.956% and matures December 2052.

In June 2019, the District obtained a $172,000 mortgage note through Bank of the West. This note was used to finance the purchase of a condominium for the District and is collateralized by real property. This note bears interest at a rate of 4.60%, with principal and interest payments due monthly, maturing June 2029. The note is secured by the purchased real estate and related rents. During the fiscal year ended June 30, 2024, the Bank of the West was acquired by BMO.

On June 24, 2022, the District obtained a loan guarantee commitment from RUS. Under this commitment, RUS guaranteed an interim loan of $7,444,000 from CoBank. The proceeds of the loan were to be used by the District to finance projects as described in their loan application including the Wastewater Treatment Plant Rehabilitation Project. The District began drawing on these funds during 2022. The interest rate on the loan draw was 0.95% and originally matured November 2025. The District amended its CoBank loan to extend the payment schedule through May 1, 2026. All other terms and conditions of the original agreement remained unchanged. On April 10, 2026, the District received $7,170,000 in proceeds as a result of permanent RUS financing. This note was used to pay all debt owed to CoBank for interim financing on April 14, 2026, totaling $7,148,306. The RUS note bears an interest rate of 1.75%, with principal and interest payments due annually, maturing April of 2066.

On February 15, 2024, the District obtained a $308,845 note through Five Star Bank. This note was used to finance the purchase of equipment for the District and is collateralized by the purchased equipment. This note bears interest at a rate of 7.75%, with principal and interest payments due monthly, maturing February 2029.

On August 7, 2025, the District obtained a $460,000 mortgage note through Five Star Bank. This note was used to finance the purchase of a condominium for the District and is collateralized by real property. This note bears interest at a rate of 5.17%, with principal and interest payments due monthly, maturing August 2035. The note is secured by the purchased real estate and related rents.

Long-term debt activity for the years ended June 30 is as follows:

	June 30, 2025	Increases	Decreases	June 30, 2026	Due Within One Year
Business-type activities					
RUS construction loans	$ 46,036,488	$ -	$ (1,435,837)	$ 44,600,651	$ 3,314,391
BMO	29,509	-	(11,354)	18,155	10,846
Five Star bank note	-	460,000	(6,915)	453,085	9,567
CoBank	5,730,925	1,377,490	(7,108,415)	-	-
RUS WWTP loan	-	7,170,000	-	7,170,000	125,275
Five Star bank equipment loan	232,126	-	(58,462)	173,664	63,010
Total business-type activities - long-term debt	$ 52,029,048	$ 9,007,490	$ (8,620,983)	$ 52,415,555	$ 3,523,089

	June 30, 2024	Increases	Decreases	June 30, 2025	Due Within One Year
Business-type activities					
RUS construction loans	$ 48,820,918	$ -	$ (2,784,430)	$ 46,036,488	$ 2,040,993
BMO	39,557	-	(10,048)	29,509	7,497
CoBank	3,320,909	2,410,016	-	5,730,925	5,730,925
Five Star bank equipment loan	285,880	-	(53,754)	232,126	58,263
Total business-type activities - long-term debt	$ 52,467,264	$ 2,410,016	$ (2,848,232)	$ 52,029,048	$ 7,837,678

As of June 30, 2026, annual debt service requirements of business-type activities to maturity are as follows:

	RUS construction loans		BMO		Five Star bank note	
	Principal	Interest	Principal	Interest	Principal	Interest
2027	$ 3,314,391	$ 1,279,443	$ 10,846	$ 824	$ 9,567	$ 23,463
2028	1,895,823	1,219,265	7,309	350	10,018	23,013
2029	2,623,737	1,154,151	-	-	10,619	22,411
2030	1,475,571	1,094,337	-	-	11,189	21,841
2031	2,501,311	1,020,075	-	-	11,790	21,240
2032 - 2036	9,277,186	4,276,907	-	-	399,902	81,364
2037 - 2041	8,899,163	2,951,477	-	-	-	-
2042 - 2046	10,352,307	1,490,336	-	-	-	-
2047 - 2051	3,997,064	188,091	-	-	-	-
2052 - 2056	264,098	6,917	-	-	-	-
2057 - 2061	-	-	-	-	-	-
2062 - 2066	-	-	-	-	-	-
Grand total	$ 44,600,651	$ 14,680,999	$ 18,155	$ 1,174	$ 453,085	$ 193,332

	RUS WWTP loan		Five Star bank equipment loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2027	$ 125,275	$ 125,475	$ 63,010	$ 11,881	$ 3,523,089	$ 1,441,086
2028	127,467	123,283	68,128	6,764	2,108,745	1,372,675
2029	129,698	121,052	42,526	1,446	2,806,580	1,299,060
2030	131,968	118,782	-	-	1,618,728	1,234,960
2031	134,277	116,473	-	-	2,647,378	1,157,788
2032 - 2036	707,466	546,283	-	-	10,384,554	4,904,554
2037 - 2041	771,574	482,175	-	-	9,670,737	3,433,652
2042 - 2046	841,492	412,258	-	-	11,193,799	1,902,594
2047 - 2051	917,745	336,005	-	-	4,914,809	524,096
2052 - 2056	1,000,909	252,841	-	-	1,265,007	259,758
2057 - 2061	1,091,607	162,143	-	-	1,091,607	162,143
2062 - 2066	1,190,522	63,226	-	-	1,190,522	63,226
Grand total	$ 7,170,000	$ 2,859,996	$ 173,664	$ 20,091	$ 52,415,555	$ 17,755,592

Borrowings from RUS are subject to certain financial covenants related to debt service coverage (DSC) and times interest earned ratios (TIER). Management believes they are in compliance with all debt covenants as of June 30, 2026 and 2025.

Note 5 – Pension and OPEB Plans

General Information About the Pension Plans

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

In 2012, the Public Employees' Pension Reform Act (PEPRA) became law and implemented new benefit formulas and final compensation period, as well as new contribution requirements for new employees hired on or after January 1, 2013, who meet the definition of new member under PEPRA. Employees hired prior to January 1, 2013, and those new employees not meeting the PEPRA definition of new members are considered classic employees.

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 nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit; the 1957 Survivor Benefit; or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2026, are summarized as follows:

Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payment	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	2.50%	2.00%
Required employee contribution rates	8.00%	6.25%
Required employer contribution rates	9.671%	6.237%

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

For the year ended June 30, 2026, the contributions recognized as part of pension expense for the Plans were as follows:

Contributions - employer	$	183,168
Contributions - employee (paid by employer)		71,232

Pension liabilities, pension expenses, and deferred outflows/inflows of resources related to pensions – As of June 30, the District reported its proportionate share of the net pension liability for the plans as follows:

	Proportionate Share of Net Pension Liability
June 30, 2026	$ 1,115,037
June 30, 2025	1,359,824

The District's net pension liability for each Plan is measured as the proportionate share of the CalPERS net pension liability. The net pension liability of the Plan is measured as of June 30, 2025, and the total pension liability for the Plan used to calculate the net pension liability as of June 30, 2026 was determined by an actuarial valuation as of June 30, 2024, rolled forward to June 30, 2025, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for each Plan as of June 30, 2026 and 2025, was as follows:

	Classic
Proportion Total Pension Liability - June 30, 2026	0.0284900%
Proportion Fiduciary Net Position - June 30, 2026	0.0285900%
Proportion Total Pension Liability - June 30, 2025	0.0272400%
Proportion Fiduciary Net Position - June 30, 2025	0.0270200%

For the years ended June 30, 2026 and 2025, the District recognized pension expense of $76,855 and $107,928, respectively.

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

	2026	2025
Deferred outflows of resources		
Pension contribution subsequent to measurement date	$ 183,168	$ 225,270
Change in employer's proportion and differences between contributions and proportionate share of contributions	31,459	65,703
Differences between expected and actual experience	136,184	-
Net difference between projected and actual earnings on plan investments	-	223,613
	$ 350,811	$ 514,586
Deferred inflows of resources		
Change in employer's proportion and differences between contributions and proportionate share of contributions	$ (15,772)	$ (7,216)
Net difference between projected and actual earnings on plan investments	(153,785)	(4,440)
	$ (169,557)	$ (11,656)

Amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as pension expense as follows for the years ended June 30:

2027	$ 154,029
2028	(26,606)
2029	(70,631)
2030	(58,706)
	$ (1,914)

Actuarial assumptions – The total pension liabilities in the actuarial valuations were determined using the following actuarial assumptions:

	2026	2025
Valuation date	June 30, 2024	June 30, 2023
Measurement date	June 30, 2025	June 30, 2024
Actuarial cost method	Entry-Age Normal Cost Method	
Actuarial assumptions		
Discount rate	6.90%	6.90%
Inflation	2.30%	2.30%
Payroll growth	2.75%	
Projected salary increase	Varies by Entry Age and Service	
Investment rate of return	6.9% [2]	6.8% [2]
Mortality	Derived using CalPERS' Membership Data for all Funds (1)	

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

(2) Net of pension plan investment expenses, including inflation.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2024, and June 30, 2023, valuations, which were rolled forward to the June 30, 2025, and June 30, 2024, measurement dates, respectively, were based on the results of the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Further details of the experience study can be found on the CalPERS website.

Discount rate – The discount rate used in the actuarial study as of the measurement date June 30, 2025, and June 30, 2024, was 6.9%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90% discount rate used is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 6.90% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

The discount rate is based on the long-term expected rate of return on plan assets and is net of investment expenses but not reduced for administrative expenses. In determining the long-term expected rate of return, CalPERS took into account 20-year 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 to project compound (geometric) returns over the long term.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The asset allocation and expected real rates of return shown below are based on the 2024 Asset Liability Management mid-cycle review.

	Assumed Asset Allocation	Real Return (1) (2)
Public equity	37.00%	4.56%
Private equity	17.00%	5.56%
Fixed income	28.00%	2.53%
Real assets	15.00%	3.03%
Private debt	8.00%	4.93%
Strategic leverage	(5.00%)	1.40%
Total	100.00%	

(1) An expected inflation of 2.3% used for this period

(2) Figures are based on the 2024 Asset Liability Management mid-cycle review

Subsequent changes in actuarial assumptions – On November 19, 2025, the CalPERS Board of Administration completed its Asset Liability Management review and adopted new actuarial assumptions based on the 2025 CalPERS Experience Study and Review of Actuarial Assumptions, along with a total portfolio approach to investment governance. The Board did not change the 6.8% funding discount rate. The new assumptions are effective with the June 30, 2025 actuarial valuation and will be reflected in the net pension liability as of the June 30, 2026 measurement date, which the District will report for the year ending June 30, 2027.

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

	Years Ended June 30	
	2026	2025
1% decrease – discount rate	5.90%	5.90%
Net pension liability	$ 2,076,193	$ 2,273,309
Current discount rate	6.90%	6.90%
Net pension liability	$ 1,115,037	$ 1,359,824
1% increase – discount rate	7.90%	7.90%
Net pension liability	$ 32,206	$ 607,890

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

General Information About the Other Post-Employment Benefits (OPEB) Plan

Plan description – The District administers a single employer defined benefit healthcare plan (the Retiree Health Plan) administered by the District. The District currently provides health benefits to eligible employees. Effective January 1, 2021, the District transitioned the medical insurance provider from CalPERS Health Insurance to ACWA-JPIA. Employees at age 50 with 5 years' CalPERS service, hired before January 1, 2013, or age 52 and 5 years' service, hired after January 1, 2013, may retire directly from the District and receive a District-paid contribution toward retiree medical benefits. This benefit is equal to $430 per month.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision, as actual results are compared to past expectations and new estimates are made about the future.

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Based on the latest biennial actuarial valuation date, the significant methods and assumptions are as follows:

Actuarial data and assumptions – The total OPEB liability in the June 30, 2025 and June 30, 2024, actuarial valuations were determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2026	2025
Salary increases	3.00%	3.00%
Discount rate	5.20%	3.97%
Medical cost trend rate	7.00% grading down to 4.00% for 2075 and later	

The discount rate was based on 20-Year Tax-Exempt Municipal Bond Yield, as required by GASB Statement No. 75.

Pre-retirement mortality rates were based on the Preretirement Mortality Rates for Public Agency Miscellaneous from the CalPERS Experience Study (2000–2019). Post-retirement mortality rates were based on the Post-retirement Mortality Rates for Public Agency Miscellaneous from the CalPERS Experience Study (2000–2019). Actuarial assumptions used in the June 30, 2025 and June 30, 2024 valuations were based on a review of plan experience during the period June 30, 2022 to June 30, 2024.

OPEB liability – As of June 30, 2026 and 2025, the District's total OPEB liability for retiree healthcare was $999,871 and $1,036,416, respectively. For the years ended June 30, 2026 and 2025, the annual payroll of active employees covered by the plan was $1,427,162 and $1,512,038, respectively.

The following census of membership was used in the actuarial valuation:

Active employees	12
Retired employees	3
	15

The following table shows the changes in the District's total OPEB liability for the years ended June 30, 2026 and 2025:

	2026	2025
Total OPEB liability – beginning	$ 1,036,416	$ 1,101,476
Changes recognized for the fiscal year		
Service cost	96,620	90,195
Interest on the total OPEB liability	44,615	45,610
Difference between expected and actual experience	-	(227,741)
Changes of assumptions	(159,115)	47,205
Benefit payments	(18,665)	(20,329)
Net changes	(36,545)	(65,060)
Total OPEB liability – ending	$ 999,871	$ 1,036,416

The schedule of changes in the District's total OPEB liability and related ratios is included in the Required Supplementary Information.

Sensitivity analysis – The discount rate used to measure the total OPEB liability is 5.20% for 2026 and 3.97% for 2025. The following table presents the sensitivity of total OPEB liability calculation to a 1% increase and 1% decrease in the discount rate used to measure the total OPEB liability for the years ended June 30, 2026 and 2025:

	2026	2025
1% decrease – discount rate	4.20%	2.97%
Total OPEB liability	$ 1,126,231	$ 1,185,965
Current discount rate	5.20%	3.97%
Total OPEB liability	$ 999,871	$ 1,036,416
1% increase – discount rate	6.20%	4.97%
Total OPEB liability	$ 895,239	$ 914,796

The following table presents the sensitivity of total OPEB liability calculation to a 1% increase and a 1% decrease in the healthcare cost trend rates used to measure the total OPEB liability for the years ended June 30, 2026 and 2025:

	2026	2025
1% decrease – trend rate	6.00%	6.50%
Total OPEB liability	$ 870,923	$ 896,228
Current healthcare cost trend	7.00%	7.50%
Total OPEB liability	$ 999,871	$ 1,036,416
1% increase – trend rate	8.00%	8.50%
Total OPEB liability	$ 1,159,224	$ 1,212,153

Deferred outflows of resources related to OPEB – At June 30, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2026	2025
Deferred outflows of resources		
Contribution subsequent to measurement date	$ 28,635	$ 19,011
Changes in assumptions	55,027	72,141
	$ 83,662	$ 91,152
Deferred inflows of resources		
Difference between expected and actual experience	$ (964,493)	$ (1,000,799)
Changes in assumptions	(187,614)	(244,918)
	$ (1,152,107)	$ (1,245,717)

Amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be amortized and recognized as OPEB expense as follows for the years ended June 30:

2027	$ (235,611)
2028	(242,674)
2029	(204,975)
2030	(177,827)
2031	(164,458)
Thereafter	(71,535)
	$ (1,097,080)

Note 6 – 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 carries commercial insurance for risks of loss including property and liability, automobile liability, directors' and officers' liability, and employee dishonesty coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the current and prior fiscal years. The District self-insures for the risk of loss from workers' compensation claims.

Note 7 – Community Facilities District

Community Facilities District (CFD) No. 98-1 is a legally constituted governmental activity established under the Mello-Roos Community Facilities Act of 1982 (the Act), as amended. The Act provides an alternative method for financing certain public capital facilities and services. CFD No. 98-1 was established through a special election held in May 1999 whereby the qualified electors approved the Rate and Method of Apportionment of the Special Tax and authorized the issuance of up to $6,263,552 in bonds.

In October 1999, $2,450,000 in long-term bonds was issued: the 1999 Series A Bonds. A second series of long-term bonds in the amount of $3,813,552 was issued in May 2000: the 2000 Special Tax Bonds, Series B. The bond proceeds provided funds for the acquisition and construction of public sewer treatment plant improvements to serve property located within CFD No. 98-1.

The bonds are secured and payable from a pledge of the Special Taxes collected by the Counties and remitted to the District (which are remitted to the Community Facilities District) levied upon certain real property within the CFD, the proceeds of any foreclosure actions brought following a delinquency in the payment of the Special Tax, and from amounts held in certain funds pursuant to the resolution. Neither the faith and credit nor the taxing power of the District, the CFD District, the county, the state of California, or any political subdivision of any of the foregoing is pledged to the payment of the bonds.

The bonds are not a debt of the District, CFD No. 98-1, the county, the state of California, or any political subdivisions, and neither the District, CFD No. 98-1, the county, the state, nor any of its political subdivisions is liable therefore.

Note 8 – Commitments and Contingencies

Power supply contracts – The District has a power purchase contract with Shell Energy North America (Shell) to provide the District's power supply through December 2028. In January 2024 the District entered into monthly wholesale power purchase agreements with Shell to hedge against power price volatility. The District's monthly wholesale power purchase agreements specify various monthly MWh purchases at a fixed price through June 30, 2026. For fiscal year 2027, the District replaced this with an agreement signed on March 9, 2026 which is in effect through June 30, 2031.

Legal – The District is involved in various claims arising in the normal course of business. The District does not believe that the ultimate outcome of these matters will have a material adverse impact on its financial position or results of operations.

Note 9 – Subsequent Events

Management has evaluated subsequent events through November 2026, the date on which the financial statements were available to be issued.

On September 30, 2026, the Federal Financing Bank (FFB) extended the maturity of the District's RUS-guaranteed advance (RUS Note No. 3370), which had been due on that date. The extended advance is for $1,286,144 at a fixed interest rate of 5.110%. It is payable in quarterly installments of $24,894 starting December 31, 2026, with the remaining balance due at maturity on September 30, 2033. The accompanying financial statements do not reflect the extension.

Required Supplementary Information

Kirkwood Meadows Public Utility District
Schedule of Revenues and Expenditures, Budget to Actual – General Fund
Year Ended June 30, 2026

	Budgeted Amounts		Actual	Variance –	Variance with Final
	Original	Final	Amounts	Original to Final	Positive (Negative)
REVENUES					
General revenues	$ 67,560	$ 67,560	$ 82,064	$ -	$ 14,504
Investment income	-	-	-	-	-
Grant revenue	55,000	55,000	-	-	(55,000)
Property taxes	345,703	345,703	349,400	-	3,697
Total revenues	468,263	468,263	431,464	-	(36,799)
EXPENDITURES					
General government	2,061,888	2,061,888	2,069,287	-	(7,399)
Public protection	146,146	146,146	138,656	-	7,490
Culture and recreation	3,584	3,584	7,096	-	(3,512)
Capital outlay	18,000	18,000	-	-	18,000
Total expenditures	2,229,618	2,229,618	2,215,039	-	14,579
Deficiency of revenue over expenditures	(1,761,355)	(1,761,355)	(1,783,575)	-	(22,220)
OTHER FINANCING SOURCES (USES)					
Transfers	-	-	72,079	-	72,079
General and administrative allocation out	2,061,888	2,061,888	2,053,987	-	(7,901)
General and administrative allocation in	(191,756)	(191,756)	(209,523)	-	(17,767)
Total other financing sources, net	1,870,132	1,870,132	1,916,543	-	46,411
NET CHANGE IN FUND BALANCES	108,777	108,777	132,968	-	24,191
FUND BALANCE, beginning of year	73,216	73,216	73,216	-	-
FUND BALANCE, end of year	$ 181,993	$ 181,993	$ 206,184	$ -	$ 24,191

See report of independent auditors.

Kirkwood Meadows Public Utility District
Schedule of Revenues and Expenditures, Budget to Actual – General Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance –	Variance with Final
	Original	Final	Amounts	Original to Final	Positive (Negative)
REVENUES					
General revenues	$ 67,560	$ 67,560	$ 90,389	$ -	$ 22,829
Investment income	-	-	361	-	361
Grant revenue	100,000	100,000	36,076	-	(63,924)
Property taxes	226,791	226,791	410,048	-	183,257
Total revenues	394,351	394,351	536,874	-	142,523
EXPENDITURES					
General government	2,025,322	2,025,322	2,260,106	-	(234,784)
Public protection	146,117	146,117	265,857	-	(119,740)
Culture and recreation	6,538	6,538	7,188	-	(650)
Capital outlay	98,500	98,500	39,202	-	59,298
Total expenditures	2,276,477	2,276,477	2,572,353	-	(295,876)
Deficiency of revenue over expenditures	(1,882,126)	(1,882,126)	(2,035,479)	-	(153,353)
OTHER FINANCING SOURCES (USES)					
Transfers	-	-	(82,288)	-	(82,288)
General and administrative allocation out	2,025,322	2,025,322	2,343,365	-	318,043
General and administrative allocation in	(188,355)	(188,355)	(227,009)	-	(38,654)
Total other financing sources, net	1,836,967	1,836,967	2,034,068	-	197,101
NET CHANGE IN FUND BALANCES	(45,159)	(45,159)	(1,411)	-	43,748
FUND BALANCE, beginning of year	74,627	74,627	74,627	-	-
FUND BALANCE, end of year	$ 29,468	$ 29,468	$ 73,216	$ -	$ 43,748

See report of independent auditors.

Kirkwood Meadows Public Utility District
Schedule of the District's Proportional Share of the Net Pension Liability
Year Ended June 30, 2026

As of June 30, 2026 — Last 10 Years

	2026 Combined	2025 Combined	2024 Combined	2023 Combined	2022 Combined
Proportion of the net pension liability	0.02859%	0.02702%	0.02804%	0.02765%	0.02618%
Proportionate share of the net pension liability	$1,115,037	$1,359,824	$1,375,578	$1,246,616	$461,171
Covered - employee payroll	$1,427,162	$1,512,534	$1,512,038	$1,390,439	$1,179,935
Proportionate share of the net pension liability as a percentage of covered employee payroll	78.13%	89.90%	90.98%	89.66%	39.08%
Plan's fiduciary net position	$6,144,667	$5,198,993	$4,987,627	$4,637,091	$4,729,624
Plan fiduciary net position as a percentage of the total pension liability	84.64%	79.27%	78.83%	78.81%	90.49%

	2021 Combined	2020 Combined	2019 Combined	2018 Combined	2017 Combined
Proportion of the net pension liability	0.02514%	0.02549%	0.02369%	0.02219%	0.02396%
Proportionate share of the net pension liability	$1,033,961	$939,819	$852,269	$891,645	$832,171
Covered - employee payroll	$1,291,213	$1,142,474	$1,150,895	$1,159,848	$1,229,515
Proportionate share of the net pension liability as a percentage of covered employee payroll	80.08%	82.26%	74.05%	76.88%	67.68%
Plan's fiduciary net position	$3,722,638	$3,563,422	$3,108,706	$2,662,427	$2,381,318
Plan fiduciary net position as a percentage of the total pension liability	78.26%	79.13%	78.48%	74.91%	74.10%

See report of independent auditors.

Kirkwood Meadows Public Utility District
Schedule of District Contribution
Year Ended June 30, 2026

As of June 30, 2026 — Last 10 Years*

	2026 Classic	2026 PEPRA	2025 Classic	2025 PEPRA	2024 Classic	2024 PEPRA	2023 Classic	2023 PEPRA
Contractually required contributions (actuarially determined)	$ 110,004	$ 73,164	$ 105,424	$ 61,031	$ 107,992	$ 57,128	$ 103,108	$ 40,785
Contributions in relation to the actuarially determined contributions	(110,004)	(73,164)	(105,424)	(61,031)	(107,992)	(57,128)	(103,108)	(40,785)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$ 498,197	$ 928,965	$ 747,699	$ 764,835	$ 768,077	$ 743,961	$ 844,457	$ 545,982
Contributions as a percentage of covered employee payroll	22.08%	7.88%	14.10%	7.98%	14.06%	7.68%	12.21%	7.47%

	2022 Classic	2022 PEPRA	2021 Classic	2021 PEPRA	2020 Classic	2020 PEPRA	2019 Classic	2019 PEPRA
Contractually required contributions (actuarially determined)	$ 110,273	$ 20,953	$ 109,271	$ 21,277	$ 100,619	$ 18,335	$ 95,704	$ 17,013
Contributions in relation to the actuarially determined contributions	(110,273)	(20,953)	(109,271)	(21,277)	(100,619)	(18,335)	(95,704)	(17,013)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$ 903,877	$ 276,058	$ 883,997	$ 275,179	$ 880,497	$ 261,977	$ 902,140	$ 248,755
Contributions as a percentage of covered employee payroll	12.20%	7.59%	12.36%	7.73%	11.43%	7.00%	10.61%	6.84%

	2018 Classic	2018 PEPRA	2017 Classic	2017 PEPRA
Contractually required contributions (actuarially determined)	$ 103,189	$ 9,057	$ 98,528	$ 6,243
Contributions in relation to the actuarially determined contributions	($103,189)	($9,057)	($98,528)	($6,243)
Contribution deficiency (excess)	-	-	-	-
Covered employee payroll	$ 1,021,207	$ 138,641	$ 1,135,171	$ 94,344
Contributions as a percentage of covered employee payroll	10.10%	6.53%	8.68%	6.62%

Methods and assumptions used to determine contribution 2026 rates above

	Method / Assumption
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll and direct rate smoothing
Asset valuation method	Market value
Inflation	2.30%
Salary increase	Varies by entry age and service
Payroll growth	2.75%
Investment rate of return	6.90%, net of pension plan investment expenses; including inflation
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2000 to 2019
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study of the period from 2000 to 2019. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

See report of independent auditors.

Kirkwood Meadows Public Utility District
Schedule of Changes in Total Other Post-Employment Benefits (OPEB) Liability and Related Ratios
Years Ended June 30, 2026 and 2025

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023
Total OPEB Liability				
Normal cost	$ 96,620	$ 90,195	$ 101,599	$ 104,828
Interest	44,615	45,610	40,235	52,382
Change of benefit terms	-	-	-	-
Difference between expected and actual experience	-	(227,741)	-	(1,201,392)
Changes of assumptions	(159,115)	47,205	(23,949)	11,317
Benefit payments	(18,665)	(20,329)	(10,311)	(12,785)
Adjustment	-	-	-	182,029
Total OPEB liability - beginning of year	1,036,416	1,101,476	993,902	1,857,523
Total OPEB liability - end of year	$ 999,871	$ 1,036,416	$ 1,101,476	$ 993,902
Covered-employee payroll	$ 1,427,162	$ 1,512,038	$ 1,390,439	$ 1,179,935
Total OPEB liability as percentage of covered-employee payrolls	70%	69%	79%	84%

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total OPEB Liability				
Normal cost	$ 32,434	$ 94,679	$ 169,616	$ 170,636
Interest	-	51,905	52,836	40,141
Change of benefit terms	-	733,745	-	-
Difference between expected and actual experience	-	(458,015)	-	-
Changes of assumptions	-	(112,085)	83,702	-
Benefit payments	(32,434)	(32,437)	(32,437)	(27,030)
Adjustment	-	-	-	-
Total OPEB liability - beginning of year	1,857,523	1,579,731	1,306,014	1,122,267
Total OPEB liability - end of year	$ 1,857,523	$ 1,857,523	$ 1,579,731	$ 1,306,014
Covered-employee payroll	$ 1,142,474	$ 1,291,213	$ 1,171,867	$ -
Total OPEB liability as percentage of covered-employee payrolls	163%	144%	135%	0%

* Fiscal year 2019 was the first year of implementation; therefore, only eight years are shown.

See report of independent auditors.

Supplemental Information

Governmental Departments

Kirkwood Meadows Public Utility District
Schedule of Detailed Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund
Year Ended June 30, 2026

	Fire Department	Parks & Recreation	General Government	Total
REVENUES				
General revenues	$ 80,048	$ -	$ 2,016	$ 82,064
Property taxes	320,000	29,400	-	349,400
Total revenues	400,048	29,400	2,016	431,464
EXPENDITURES				
General government	-	-	2,069,287	2,069,287
Public protection	138,656	-	-	138,656
Culture and recreation	-	7,096	-	7,096
Total expenditures	138,656	7,096	2,069,287	2,215,039
Excess (deficiency) of revenues over expenses	$ 261,392	$ 22,304	$ (2,067,271)	(1,783,575)
OTHER FINANCING SOURCES (USES)				
Transfers				72,079
General and administrative allocation out				2,053,987
General and administrative allocation in				(209,523)
Total other financing sources				1,916,543
NET CHANGE IN FUND BALANCES				132,968
FUND BALANCE, beginning of year				73,216
FUND BALANCE, end of year				$ 206,184

See report of independent auditors.

Kirkwood Meadows Public Utility District
Schedule of Detailed Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund
Year Ended June 30, 2025

	Fire Department	Parks & Recreation	General Government	Total
REVENUES				
General revenues	$ 76,423	$ -	$ 13,966	$ 90,389
Investment income	-	-	361	361
Grant revenues	36,076	-	-	36,076
Property taxes	339,237	40,522	30,289	410,048
Total revenues	451,736	40,522	44,616	536,874
EXPENDITURES				
General government	-	-	2,260,106	2,260,106
Public protection	265,857	-	-	265,857
Culture and recreation	-	7,188	-	7,188
Capital outlay	39,202	-	-	39,202
Total expenditures	305,059	7,188	2,260,106	2,572,353
Excess (deficiency) of revenues over expenditures	$ 146,677	$ 33,334	$ (2,215,490)	(2,035,479)
OTHER FINANCING SOURCES (USES)				
Transfers out				(82,288)
General and administrative allocation out				2,343,365
General and administrative allocation in				(227,009)
Total other financing sources				2,034,068
NET CHANGE IN FUND BALANCES				(1,411)
FUND BALANCE, beginning of year				74,627
FUND BALANCE, end of year				$ 73,216

See report of independent auditors.

Proprietary Funds

Kirkwood Meadows Public Utility District
Schedule of Detailed Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2026

	Cable	Electric	Employee Housing	Propane	Snow Removal	Solid Waste	Water	Wastewater	Total
OPERATING REVENUES									
Residential	$ -	$ 465,315	$ -	$ 565,659	$ -	$ 372,696	$ 98,152	$ 282,132	$ 1,783,954
Commercial	-	882,183	-	677,821	-	26,336	102,912	453,411	2,142,663
Snow removal	-	-	-	-	911,043	-	-	-	911,043
Rental income	-	-	102,173	-	-	-	-	-	102,173
Other	10,329	301,086	-	58,120	-	1,090	74,155	17,664	462,444
Base rate	-	3,291,631	-	307,698	-	-	606,783	1,187,611	5,393,723
Total operating revenues	10,329	4,940,215	102,173	1,609,298	911,043	400,122	882,002	1,940,818	10,796,000
OPERATING EXPENSES									
Power, propane, and fuel	-	890,738	-	741,605	-	-	-	-	1,632,343
Salaries and benefits	-	238,008	8,934	115,955	291,523	25,709	251,670	330,470	1,262,269
Operations and maintenance	-	470,923	51,197	21,709	132,864	249,052	114,485	197,436	1,237,666
Contract services	-	1,148	2,960	-	-	200	97,255	47,831	149,394
Operating expenses	-	15,376	4,600	300	18,092	-	21,449	34,752	94,569
OPEB expense/(credit)	-	7,825	-	(34,039)	(14,739)	(2,474)	26,282	(29,025)	(46,170)
Pension expense/(credit)	-	7,735	-	(47,976)	35,694	(25,862)	69,640	(38,837)	394
Depreciation	1,516	1,548,937	63,141	69,545	92,914	5,486	108,403	293,599	2,183,541
Amortization	-	392,531	-	-	-	-	-	-	392,531
General and administrative allocations	10,270	(132,104)	7,441	397,739	204,351	88,117	391,268	877,382	1,844,464
Total operating expenses	11,786	3,441,117	138,273	1,264,838	760,699	340,228	1,080,452	1,713,608	8,751,001
Operating income (loss)	$ (1,457)	$ 1,499,098	$ (36,100)	$ 344,460	$ 150,344	$ 59,894	$ (198,450)	$ 227,210	2,044,999
NONCAPITAL SUBSIDIES									
Property taxes									728,159
Transfers									(72,079)
Total noncapital subsidies									656,080
Operating income (loss) and noncapital subsidies									2,701,079
OTHER NONOPERATING REVENUES (EXPENSES)									
Investment income and other									186,330
Interest expense									(1,723,901)
Total other nonoperating revenues (expenses), net									(1,537,571)
CHANGE IN NET POSITION									1,163,508
NET POSITION, beginning of year									13,661,374
NET POSITION, end of year									$ 14,824,882

See report of independent auditors.

Kirkwood Meadows Public Utility District
Schedule of Detailed Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2025

	Cable	Electric	Employee Housing	Propane	Snow Removal	Solid Waste	Water	Wastewater	Total
OPERATING REVENUES									
Residential	$ -	$ 464,535	$ -	$ 754,489	$ -	$ 369,750	$ 111,257	$ 288,159	$ 1,988,190
Commercial	-	1,018,414	-	1,034,558	-	26,336	109,806	475,002	2,664,116
Snow removal	-	-	-	-	932,676	-	-	-	932,676
Rental income	-	-	63,760	-	-	-	-	-	63,760
Other	11,078	308,385	-	62,499	-	1,470	63,247	24,675	471,354
Base rate	-	3,252,589	-	55,524	-	-	568,588	1,049,995	4,926,696
Total operating revenues	11,078	5,043,923	63,760	1,907,070	932,676	397,556	852,898	1,837,831	11,046,792
OPERATING EXPENSES									
Power, propane, and fuel	-	943,465	-	886,349	-	-	-	-	1,829,814
Salaries and benefits	-	243,931	11,428	194,310	307,493	33,299	177,893	410,774	1,379,128
Operations and maintenance	-	387,493	49,240	30,081	95,846	194,245	71,736	312,876	1,141,517
Contract services	-	2,054	-	-	90	948	32,458	50,256	85,806
Operating expenses	-	14,764	-	1,111	26,820	-	20,525	36,748	99,968
OPEB expense/(credit)	-	(34,702)	-	(13,482)	10,963	(21,520)	(281)	(4,717)	(63,739)
Pension expense/(credit)	-	(4,510)	-	48,003	33,565	(51,758)	16,775	22,890	64,965
Depreciation	1,263	1,553,712	50,727	64,913	95,515	5,456	109,081	279,905	2,160,572
Amortization	-	392,531	-	-	-	-	-	-	392,531
General and administrative allocations	11,243	463,192	-	429,464	254,081	94,437	393,488	393,488	2,039,393
Total operating expenses	12,506	3,961,930	111,395	1,640,749	824,373	255,107	821,675	1,502,220	9,129,955
Operating income (loss)	$ (1,428)	$ 1,081,993	$ (47,635)	$ 266,321	$ 108,303	$ 142,449	$ 31,223	$ 335,611	1,916,837
NONCAPITAL SUBSIDIES									
Property taxes									613,643
Transfers									82,288
Total noncapital subsidies									695,931
Operating income (loss) and noncapital subsidies									2,612,768
OTHER NONOPERATING REVENUES (EXPENSES)									
Investment income and other									126,524
Interest expense									(1,764,442)
Total other nonoperating revenues (expenses), net									(1,637,918)
CHANGE IN NET POSITION									974,850
NET POSITION, beginning of year									12,686,524
NET POSITION, end of year									$ 13,661,374

See report of independent auditors.

Overview and Budget Variances

Financial Snapshot

September results delivered a positive net income of $38,270 compared to a budgeted loss of $97,125, resulting in a positive variance of $135,395. Year to date net income is above budget by $371,917, which is reflected in higher than anticipated balance sheet cash assets. Overall performance is favorable to budget, driven primarily by:

- Strong, unbudgeted investment earnings, which will continue throughout FY 2027.
- Unbudgeted Other Revenue, which is primarily due to connection fees and is non-recurring.
- Higher than budgeted operating revenue & lower than budgeted operating expense.

Balance Sheet Highlights

Cash Position:

- Operating Cash is $378,393 above budget, primarily due to higher than budgeted net income.
- Capital Reserve and KVFD reserve balances are above budget due to earned interest income.

Other Current Assets:

- Accounts receivable is above budget due to timing of property tax receipts and higher than anticipated operating revenues.
- Materials & Supplies is above budget due to higher than anticipated value of on-hand propane and diesel.
- Variances in Capital Assets are related to asset retirements that were not included in the budget figures.

Liabilities & Debt:

- Total Accounts Payable is $182,924 below budget primarily due to reduced operating expenses.

Combined Income Statement Highlights

Operating Revenue:

- Year-to-date operating revenues are above budget by $49,291.
    - YTD Commercial usage is below budget, however, the variance in this category is partially offset by YTD Residential usage. This trend continues through October.
    - Other Revenues are above budget in the current period due to fire call response reimbursements received from Amador County. Year to date other revenues include connection fees, which are seasonal in nature and should not be considered as recurring sources of income.

Operating Expenses:

Favorable Variances-

- Cost of Goods Sold is below budget YTD primarily due to unrecognized accrual of REC expenses.
- Operating Expenses are below budget for the current period and YTD. This variance is expected to continue, primarily due to Salaries and Wages remaining below budget. Variances in other operating expense categories may fluctuate throughout the year, and underspending in these areas are not necessarily indicative of sustainable savings.

Unfavorable Variances-

- Payroll Taxes & EE Benefits is above budget YTD primarily due to PTO accruals.

Non-Operating Activity:

- Investment Income totaled $51,909 YTD due to earnings on reserve balances. This variance will continue to grow throughout the fiscal year and is projected to total over $220,000 by year end.
- Other Non-Operating Revenue is $76,391 YTD, primarily due to non-recurring connection fee income.

Items to Watch

- Variances to budget in base rate revenues are being investigated by staff. Variances in the electric and wastewater funds are primarily due to categorization misalignment between residential and commercial.

Balance Sheet - Consolidated

September 30, 2026

	Actual September, 2026	Budget September, 2026	Variance
ASSETS			
Current Assets - Funds			
Total Operating	1,762,567.16	1,384,174.00	378,393.16
Total KVFD Reserve	169,193.69	167,537.00	1,656.69
Total Restricted	725,354.52	714,812.00	10,542.52
Total Capital Reserve	6,004,451.66	5,952,788.00	51,663.66
Total Current Assets - Funds	8,661,567.03	8,219,311.00	442,256.03
Current Assets - Other			
Total Accounts Receivable, net	898,107.79	807,908.00	90,199.79
Total Materials & Supplies	431,786.84	252,270.00	179,516.84
Total Prepaid Expenses	158,483.96	156,800.00	1,683.96
Total Current Assets - Other	1,488,378.59	1,216,978.00	271,400.59
Capital Assets			
Total Buildings	18,880,572.21	18,880,572.00	0.21
Total Generation Equipment	16,923,558.05	16,923,558.00	0.05
Total Intangible Assets	15,854,083.31	15,854,083.00	0.31
Total General Plant & Other	43,548,277.67	43,715,229.00	(166,951.33)
Total Construction in Progress	477,517.38	468,278.00	9,239.38
Total Less: Accumulated Depreciation	(35,808,930.25)	(35,990,760.00)	181,829.75
Total Capital Assets	59,875,078.37	59,850,960.00	24,118.37
Non-Current Assets			
Total Capitalized Interest Bond Proceeds	0.00	0.00	0.00
Total Restricted Funds	0.00	0.00	0.00
Total Unamortized Debt Expenses, net	2,072,533.24	2,071,366.00	1,167.24
Total Other Non-Current Assets	0.00	0.00	0.00
Total Non-Current Assets	2,072,533.24	2,071,366.00	1,167.24
Deferred Outflows			
Total Deferred Outflows	434,472.98	434,473.00	(0.02)
Total Deferred Outflows	434,472.98	434,473.00	(0.02)
Total Assets	72,097,557.23	71,358,615.00	738,942.23
Total Assets and Deferred Outflows	**72,532,030.21**	71,793,088.00	738,942.21
LIABILITIES			
Current Liabilities			
Total Accounts Payable	138,134.61	321,059.00	(182,924.39)
Total Accrued Interest Payable	31,342.18	41,024.00	(9,681.82)
Total Customer Deposits	13,283.13	0.00	13,283.13
Total Current Portion of Long-Term Debt	1,665,595.59	1,665,596.00	(0.41)
Total Other Current Liabilities	861,091.73	890,853.00	(29,761.27)
Total Current Liabilities	2,709,447.24	2,918,532.00	(209,084.76)
Non-Current Liabilities			
Total Long-term Debt, less Current Portion	42,572,403.90	42,572,404.00	(0.10)
Total Installment Loans	7,794,616.21	7,794,662.00	(45.79)
Total Unearned Revenues	0.00	0.00	0.00
Total Net Pension Liability	1,115,037.00	1,115,037.00	0.00
Total Cushion of Credit	0.00	0.00	0.00
Total Net OPEB Liability	999,871.00	999,871.00	0.00
Total Non-Current Liabilities	52,481,928.11	52,481,974.00	(45.89)

Balance Sheet - Consolidated

September 30, 2026

	Actual September, 2026	Budget September, 2026	Variance
Deferred Inflows			
Total Deferred Inflows	1,321,663.99	1,321,664.00	(0.01)
Total Deferred Inflows	1,321,663.99	1,321,664.00	(0.01)
Total Liabilities	55,191,375.35	55,400,506.00	(209,130.65)
Total Liabilities and Deferred Inflows	**56,513,039.34**	56,722,170.00	(209,130.66)
EQUITY			
Net Assets			
Total Restricted for Debt Service	0.00	0.00	0.00
Total Unrestricted	16,018,990.87	14,761,550.00	1,257,440.87
Total Net Assets	16,018,990.87	14,761,550.00	1,257,440.87
Total Equity	16,018,990.87	14,761,550.00	1,257,440.87
Total Liabilities, Deferred Inflows, and Equity	**72,532,030.21**	71,483,720.00	1,048,310.21

Database: Insight Production
Parameters: {GlAcct.AcctType} in ["A", "L", "Q"] and {?Period to Post} = {GlAcctBal.PeriodPost}

Report:D:\Homedir\PCS\Reports\ClientCustom\Calendar Combined Balance.rpt
Last Modified: 10/13/2017

Balance Sheet - Consolidated

September 30, 2026

				Actual September, 2026	Budget September, 2026	Variance
ASSETS						
Current Assets - Funds						
01	0	13180		(79,091.70)	1,384,174.00	(1,463,265.70)
02	0	13180		0.00	0.00	0.00
10	0	13180		367,532.03	0.00	367,532.03
20	0	13180		462,495.93	0.00	462,495.93
40	0	13180		48,711.06	0.00	48,711.06
50	0	13180		673,363.72	0.00	673,363.72
60	0	13180		10,905.79	0.00	10,905.79
70	0	13180		(178,445.10)	0.00	(178,445.10)
80	0	13180		209,827.65	0.00	209,827.65
90	0	13180		122,219.49	0.00	122,219.49
13180			Cash - 5 Star - Revenue Account	1,637,518.87	1,384,174.00	253,344.87
			Total Operating	1,637,518.87	1,384,174.00	253,344.87
			Total Current Assets - Funds	1,637,518.87	1,384,174.00	253,344.87
			Total Assets	1,637,518.87	1,384,174.00	253,344.87
			Total Assets and Deferred Outflows	**1,637,518.87**	1,384,174.00	253,344.87
			Total Liabilities, Deferred Inflows, and Equity	**0.00**	0.00	0.00

Database: Insight Production Report:D:\Homedir\PCS\Reports\ClientCustom\Calendar Combined Balance.rpt
Parameters: {GlAcct.AcctType} in ["A", "L", "Q"] and Last Modified: 10/13/2017
{?Period to Post} = {GlAcctBal.PeriodPost}

10 - Water

20 - Wastewater

40 - Employee Housing

50 - Electric

60 - Cable

70 - Snow Removal

80 - Propane

90 - Solid Waste

Balance Sheet - Consolidated

September 30, 2026

				Actual September, 2026	Budget September, 2026	Variance
ASSETS						
Current Assets - Funds						
01	0	13250		0.00	5,952,788.00	(5,952,788.00)
01	1	13250		0.00	0.00	0.00
01	2	13250		0.00	0.00	0.00
01	3	13250		0.00	0.00	0.00
01	4	13250		0.00	0.00	0.00
10	0	13250		423,510.67	0.00	423,510.67
20	0	13250		1,601,571.16	0.00	1,601,571.16
40	0	13250		36.46	0.00	36.46
50	0	13250		2,478,641.12	0.00	2,478,641.12
60	0	13250		0.00	0.00	0.00
70	0	13250		395,784.13	0.00	395,784.13
80	0	13250		991,182.29	0.00	991,182.29
90	0	13250		113,725.83	0.00	113,725.83
13250			Cash - 5 Star - Operating Reserve	6,004,451.66	5,952,788.00	51,663.66
			Total Capital Reserve	6,004,451.66	5,952,788.00	51,663.66
			Total Current Assets - Funds	6,004,451.66	5,952,788.00	51,663.66
			Total Assets	6,004,451.66	5,952,788.00	51,663.66
			Total Assets and Deferred Outflows	**6,004,451.66**	5,952,788.00	51,663.66
			Total Liabilities, Deferred Inflows, and Equity	**0.00**	0.00	0.00

Database: Insight Production
Report:D:\Homedir\PCS\Reports\ClientCustom\Calendar Combined Balance.rpt
Parameters: {GlAcct.AcctType} in ["A", "L", "Q"] and
{?Period to Post} = {GlAcctBal.PeriodPost}
Last Modified: 10/13/2017

10 - Water

20 - Wastewater

40 - Employee Housing

50 - Electric

60 - Cable

70 - Snow Removal

80 - Propane

90 - Solid Waste

Budget Income Statement - Combined

September 30, 2026

	Month Totals				Year to Date Totals			
	This Year September	Budget September	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
Commercial	71,558.50	66,854.00	4,704.50	7.04%	199,913.25	255,220.00	(55,306.75)	-21.67%
Commercial Base Rates	289,999.64	293,292.00	(3,292.36)	-1.12%	869,998.92	879,876.00	(9,877.08)	-1.12%
Residential	95,967.39	77,448.00	18,519.39	23.91%	313,814.67	266,102.00	47,712.67	17.93%
Residential Base Rates	203,591.52	201,913.00	1,678.52	0.83%	621,842.56	605,739.00	16,103.56	2.66%
KMPUD Internal Usage	58,390.03	51,299.00	7,091.03	13.82%	178,991.36	158,606.00	20,385.36	12.85%
Meter Charges	10,917.76	10,212.00	705.76	6.91%	32,678.89	31,185.00	1,493.89	4.79%
Property Taxes	83,577.00	83,577.00	0.00	0.00%	250,731.00	250,731.00	0.00	0.00%
Other	22,788.21	18,536.00	4,252.21	22.94%	84,387.43	55,608.00	28,779.43	51.75%
Operating Revenues	836,790.05	803,131.00	33,659.05	4.19%	2,552,358.08	2,503,067.00	49,291.08	1.97%
Cost of Goods Sold	63,580.02	58,201.00	5,379.02	9.24%	160,694.89	187,218.00	(26,523.11)	-14.17%
Salaries and Wages	67,714.14	164,763.00	(97,048.86)	-58.90%	313,533.20	487,675.00	(174,141.80)	-35.71%
Payroll Taxes & EE Benefits	86,382.36	56,816.00	29,566.36	52.04%	227,047.24	170,446.00	56,601.24	33.21%
Operations & Maintenance	104,803.31	99,981.00	4,822.31	4.82%	297,388.35	282,243.00	15,145.35	5.37%
Contract Services	38,364.35	54,570.00	(16,205.65)	-29.70%	80,764.65	114,160.00	(33,395.35)	-29.25%
Operating Expenses	42,267.89	53,686.00	(11,418.11)	-21.27%	121,667.38	159,682.00	(38,014.62)	-23.81%
G & A Allocations	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Internal Allocations	41,130.67	35,238.00	5,892.67	16.72%	125,723.61	109,016.00	16,707.61	15.33%
Board of Directors	11,750.60	11,848.00	(97.40)	-0.82%	35,251.80	35,536.00	(284.20)	-0.80%
Depreciation	195,218.04	198,688.00	(3,469.96)	-1.75%	585,752.08	596,064.00	(10,311.92)	-1.73%
Operating Expenses	651,211.38	733,791.00	(82,579.62)	-11.25%	1,947,823.20	2,142,040.00	(194,216.80)	-9.07%
Total Operating	**185,578.67**	**69,340.00**	**116,238.67**	**167.64%**	**604,534.88**	**361,027.00**	**243,507.88**	**67.45%**
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Investment Income	19,097.99	0.00	19,097.99	na	51,909.45	0.00	51,909.45	na
Other	25.00	0.00	25.00	na	76,391.00	0.00	76,391.00	na
Non-Operating Revenues	19,122.99	0.00	19,122.99	na	128,300.45	0.00	128,300.45	na
Interest Expense	130,056.87	130,065.00	(8.13)	-0.01%	390,178.26	390,211.00	(32.74)	-0.01%
Amortization	36,374.41	36,400.00	(25.59)	-0.07%	109,123.24	109,200.00	(76.76)	-0.07%
Other	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Expenses	166,431.28	166,465.00	(33.72)	-0.02%	499,301.50	499,411.00	(109.50)	-0.02%
GASB 68 Pension Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 75 OPEB Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 & 75 Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Total Non-Operating	**(147,308.29)**	**(166,465.00)**	**19,156.71**	**11.51%**	**(371,001.05)**	**(499,411.00)**	**128,409.95**	**25.71%**
	38,270.38	**(97,125.00)**	**135,395.38**	**139.40%**	**233,533.83**	**(138,384.00)**	**371,917.83**	**268.76%**

Budget Income Statement - General Fund

September 30, 2026

	Month Totals				Year to Date Totals			
	This Year September	Budget September	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
1 - General & Admin								
Property Taxes	83,577.00	83,577.00	0.00	0.00%	250,731.00	250,731.00	0.00	0.00%
Other	125.18	0.00	125.18	na	400.54	0.00	400.54	na
Operating Revenues	83,702.18	83,577.00	125.18	0.15%	251,131.54	250,731.00	400.54	0.16%
Salaries and Wages	25,469.62	61,536.00	(36,066.38)	-58.61%	128,435.97	182,796.00	(54,360.03) *	-29.74%
Payroll Taxes & EE Benefits	57,283.68	25,693.00	31,590.68	122.95%	143,405.57	77,079.00	66,326.57 *	86.05%
Operations & Maintenance	16,845.67	4,600.00	12,245.67	266.21%	30,957.41	13,800.00	17,157.41	124.33%
Contract Services	19,921.75	45,170.00	(25,248.25)	-55.90%	56,137.75	85,960.00	(29,822.25)	-34.69%
Operating Expenses	39,303.68	46,978.00	(7,674.32)	-16.34%	112,688.70	141,858.00	(29,169.30)	-20.56%
G & A Allocations	(170,449.82)	(195,823.00)	25,373.18	-12.96%	(506,476.66)	(537,031.00)	30,554.34	-5.69%
Internal Allocations	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Board of Directors	11,750.60	11,846.00	(95.40)	-0.81%	35,251.80	35,534.00	(282.20)	-0.79%
Operating Expenses	125.18	0.00	125.18	na	400.54	(4.00)	404.54	-10,113.50%
Total Operating	**83,577.00**	**83,577.00**	**0.00**	**0.00%**	**250,731.00**	**250,735.00**	**(4.00)**	**0.00%**
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Investment Income	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Other	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Interest Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Amortization	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Expenses	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Total Non-Operating	**0.00**	**0.00**	**0.00**	**na**	**0.00**	**0.00**	**0.00**	**na**
NET INCOME (LOSS)	**83,577.00**	**83,577.00**	**0.00**	**0.00%**	**250,731.00**	**250,735.00**	**(4.00)**	**0.00%**

* Salaries & Wages is below budget due to open positions.

* Payroll Taxes & Employee Benefits is below budget primarily due to values of accrued PTO and an increase in unfunded CalPERS liability.

Budget Income Statement - General Fund

September 30, 2026

	Month Totals				Year to Date Totals			
	This Year September	Budget September	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
2 - Fire Department								
Other	11,411.81	5,834.00	5,577.81	95.61%	32,717.22	17,502.00	15,215.22	86.93%
Operating Revenues	11,411.81	5,834.00	5,577.81	95.61%	32,717.22	17,502.00	15,215.22	86.93%
Salaries and Wages	0.00	10,195.00	(10,195.00)	-100.00%	2,329.93	30,585.00	(28,255.07) *	-92.38%
Payroll Taxes & EE Benefits	0.00	86.00	(86.00)	-100.00%	1,083.92	258.00	825.92	320.12%
Operations & Maintenance	11,518.45	11,733.00	(214.55)	-1.83%	35,168.06	35,199.00	(30.94)	-0.09%
Contract Services	0.00	0.00	0.00	na	195.00	0.00	195.00	na
Operating Expenses	704.14	910.00	(205.86)	-22.62%	1,835.47	2,730.00	(894.53)	-32.77%
G & A Allocations	14,147.33	16,253.00	(2,105.67)	-12.96%	42,037.55	44,573.00	(2,535.45)	-5.69%
Internal Allocations	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Depreciation	4,700.82	5,100.00	(399.18)	-7.83%	14,102.45	15,300.00	(1,197.55)	-7.83%
Operating Expenses	31,070.74	44,277.00	(13,206.26)	-29.83%	96,752.38	128,645.00	(31,892.62)	-24.79%
Total Operating	**(19,658.93)**	**(38,443.00)**	**18,784.07**	**-48.86%**	**(64,035.16)**	**(111,143.00)**	**47,107.84**	**-42.38%**
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Other	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Interest Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Amortization	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Expenses	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Total Non-Operating	**0.00**	**0.00**	**0.00**	**na**	**0.00**	**0.00**	**0.00**	**na**
NET INCOME (LOSS)	**(19,658.93)**	**(38,443.00)**	**18,784.07**	**-48.86%**	**(64,035.16)**	**(111,143.00)**	**47,107.84**	**-42.38%**

* Salaries & Wages is below budget YTD due to the open Fire Chief position.

Budget Income Statement - General Fund

September 30, 2026

	Month Totals				Year to Date Totals			
	This Year September	Budget September	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
3 - Parks & Recreation								
Other	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Operating Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Salaries and Wages	51.76	416.00	(364.24)	-87.56%	712.29	1,040.00	(327.71)	-31.51%
Payroll Taxes & EE Benefits	35.21	38.00	(2.79)	-7.34%	304.54	114.00	190.54	167.14%
Operations & Maintenance	0.00	300.00	(300.00)	-100.00%	0.00	900.00	(900.00)	-100.00%
Operating Expenses	0.00	0.00	0.00	na	0.00	0.00	0.00	na
G & A Allocations	1,704.50	1,958.00	(253.50)	-12.95%	5,064.76	5,369.00	(304.24)	-5.67%
Internal Allocations	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Depreciation	140.74	970.00	(829.26)	-85.49%	422.22	2,910.00	(2,487.78)	-85.49%
Operating Expenses	1,932.21	3,682.00	(1,749.79)	-47.52%	6,503.81	10,333.00	(3,829.19)	-37.06%
Total Operating	**(1,932.21)**	**(3,682.00)**	**1,749.79**	**-47.52%**	**(6,503.81)**	**(10,333.00)**	**3,829.19**	**-37.06%**
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Other	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Interest Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Amortization	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Expenses	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Total Non-Operating	**0.00**	**0.00**	**0.00**	**na**	**0.00**	**0.00**	**0.00**	**na**
NET INCOME (LOSS)	**(1,932.21)**	**(3,682.00)**	**1,749.79**	**-47.52%**	**(6,503.81)**	**(10,333.00)**	**3,829.19**	**-37.06%**

Budget Income Statement - Water Fund

September 30, 2026

	Month Totals				Year to Date Totals			
	This Year September	Budget September	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
0 - Default								
Commercial	3,549.15	6,132.00	(2,582.85)	-42.12%	11,924.94	28,666.00	(16,741.06)	-58.40%
Commercial Base Rates	26,309.31	26,512.00	(202.69)	-0.76%	78,927.93	79,536.00	(608.07)	-0.76%
Residential	5,776.85	3,480.00	2,296.85	66.00%	26,257.25	17,142.00	9,115.25	53.17%
Residential Base Rates	32,782.68	36,006.00	(3,223.32)	-8.95%	110,684.32	108,018.00	2,666.32	2.47%
KMPUD Internal Usage	81.41	77.00	4.41	5.73%	302.10	244.00	58.10	23.81%
Meter Charges	5,748.95	5,626.00	122.95	2.19%	17,193.11	16,878.00	315.11	1.87%
Other	448.98	1,000.00	(551.02)	-55.10%	17,982.18	3,000.00	14,982.18	499.41%
Operating Revenues	74,697.33	78,833.00	(4,135.67)	-5.25%	263,271.83	253,484.00	9,787.83	3.86%
Salaries and Wages	9,498.54	16,881.00	(7,382.46)	-43.73%	35,921.21	50,159.00	(14,237.79)	-28.39%
Payroll Taxes & EE Benefits	8,380.85	6,420.00	1,960.85	30.54%	23,699.79	19,260.00	4,439.79	23.05%
Operations & Maintenance	1,826.57	3,303.00	(1,476.43)	-44.70%	16,815.38	9,909.00	6,906.38	69.70%
Contract Services	15,884.00	5,767.00 *	10,117.00	175.43%	19,632.85	17,301.00	2,331.85	13.48%
Operating Expenses	923.75	2,083.00	(1,159.25)	-55.65%	2,906.25	6,249.00	(3,342.75)	-53.49%
G & A Allocations	29,828.72	34,269.00	(4,440.28)	-12.96%	88,633.42	93,980.00	(5,346.58)	-5.69%
Internal Allocations	2,061.70	4,981.00	(2,919.30)	-58.61%	5,439.37	15,421.00	(9,981.63)	-64.73%
Depreciation	9,073.97	9,110.00	(36.03)	-0.40%	27,210.65	27,330.00	(119.35)	-0.44%
Operating Expenses	77,478.10	82,814.00	(5,335.90)	-6.44%	220,258.92	239,609.00	(19,350.08)	-8.08%
Total Operating	**(2,780.77)**	**(3,981.00)**	**1,200.23**	**-30.15%**	**43,012.91**	**13,875.00**	**29,137.91**	**210.00%**
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Investment Income	1,338.22	0.00	1,338.22	na	3,872.09	0.00	3,872.09	na
Other	0.00	0.00	0.00	na	21,260.00	0.00	21,260.00	na
Non-Operating Revenues	1,338.22	0.00	1,338.22	na	25,132.09	0.00	25,132.09	na
Interest Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Amortization	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Expenses	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 Pension Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 75 OPEB Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 & 75 Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Total Non-Operating	**1,338.22**	**0.00**	**1,338.22**	**na**	**25,132.09**	**0.00**	**25,132.09**	**na**
NET INCOME (LOSS)	**(1,442.55)**	**(3,981.00)**	**2,538.45**	**-63.76%**	**68,145.00**	**13,875.00**	**54,270.00**	**391.14%**

* Contract Services is above budget due to increased water sampling & testing expense in the period.

Budget Income Statement - Wastewater Fund

September 30, 2026

	Month Totals				Year to Date Totals			
	This Year September	Budget September	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
0 - Default								
Commercial	12,549.11	16,503.00	(3,953.89)	-23.96%	43,488.79	77,802.00	(34,313.21)	-44.10%
Commercial Base Rates	56,276.67	64,142.00	(7,865.33)	-12.26%	168,830.01	192,426.00	(23,595.99)	-12.26%
Residential	16,685.25	11,002.00	5,683.25	51.66%	75,591.33	51,868.00	23,723.33	45.74%
Residential Base Rates	61,891.76	53,575.00	8,316.76	15.52%	185,082.35	160,725.00	24,357.35	15.15%
KMPUD Internal Usage	173.53	165.00	8.53	5.17%	709.83	547.00	162.83	29.77%
Meter Charges	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Other	846.41	1,150.00	(303.59)	-26.40%	2,321.80	3,450.00	(1,128.20)	-32.70%
Operating Revenues	148,422.73	146,537.00	1,885.73	1.29%	476,024.11	486,818.00	(10,793.89)	-2.22%
Salaries and Wages	12,491.90	20,949.00	(8,457.10)	-40.37%	55,031.31	61,599.00	(6,567.69)	-10.66%
Payroll Taxes & EE Benefits	9,528.08	7,895.00	1,633.08	20.68%	31,192.73	23,683.00	7,509.73	31.71%
Operations & Maintenance	13,852.85	9,317.00	4,535.85	48.68%	33,355.98	27,951.00	5,404.98	19.34%
Contract Services	2,558.60	3,333.00	(774.40)	-23.23%	4,799.05	9,999.00	(5,199.95)	-52.00%
Operating Expenses	20.39	300.00	(279.61)	-93.20%	289.17	900.00	(610.83)	-67.87%
G & A Allocations	29,828.72	34,269.00	(4,440.28)	-12.96%	88,633.42	93,980.00	(5,346.58)	-5.69%
Internal Allocations	38,471.01	28,345.00	10,126.01	35.72%	118,592.99	87,742.00	30,850.99 *	35.16%
Depreciation	37,254.12	37,820.00	(565.88)	-1.50%	111,751.24	113,460.00	(1,708.76)	-1.51%
Operating Expenses	144,005.67	142,228.00	1,777.67	1.25%	443,645.89	419,314.00	24,331.89	5.80%
Total Operating	**4,417.06**	**4,309.00**	**108.06**	**2.51%**	**32,378.22**	**67,504.00**	**(35,125.78)**	**-52.04%**
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Investment Income	5,060.67	0.00	5,060.67	na	14,319.48	0.00	14,319.48	na
Other	0.00	0.00	0.00	na	29,636.00	0.00	29,636.00	na
Non-Operating Revenues	5,060.67	0.00	5,060.67	na	43,955.48	0.00	43,955.48	na
Interest Expense	10,456.00	10,456.00	0.00	0.00%	31,368.00	31,368.00	0.00	0.00%
Amortization	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Expenses	10,456.00	10,456.00	0.00	0.00%	31,368.00	31,368.00	0.00	0.00%
GASB 68 Pension Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 75 OPEB Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 & 75 Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Total Non-Operating	**(5,395.33)**	**(10,456.00)**	**5,060.67**	**-48.40%**	**12,587.48**	**(31,368.00)**	**43,955.48**	**-140.13%**
NET INCOME (LOSS)	**(978.27)**	**(6,147.00)**	**5,168.73**	**-84.09%**	**44,965.70**	**36,136.00**	**8,829.70**	**24.43%**

* Internal Allocations exceeds budget due to higher than anticipated utility expense.

Budget Income Statement - Employee Housing Fund

September 30, 2026

	Month Totals				Year to Date Totals			
	This Year September	Budget September	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
0 - Default								
Other	8,320.00	9,060.00	(740.00)	-8.17%	25,220.00	27,180.00	(1,960.00)	-7.21%
Operating Revenues	8,320.00	9,060.00	(740.00)	-8.17%	25,220.00	27,180.00	(1,960.00)	-7.21%
Salaries and Wages	51.76	416.00	(364.24)	-87.56%	180.86	1,040.00	(859.14)	-82.61%
Payroll Taxes & EE Benefits	35.21	107.00	(71.79)	-67.09%	68.44	321.00	(252.56)	-78.68%
Operations & Maintenance	3,630.47	4,408.00	(777.53)	-17.64%	17,159.78	13,224.00	3,935.78	29.76%
Contract Services	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Operating Expenses	0.00	0.00	0.00	na	0.00	0.00	0.00	na
G & A Allocations	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Internal Allocations	291.44	746.00	(454.56)	-60.93%	783.47	2,309.00	(1,525.53)	-66.07%
Depreciation	5,444.27	5,914.00	(469.73)	-7.94%	16,332.83	17,742.00	(1,409.17)	-7.94%
Operating Expenses	9,453.15	11,591.00	(2,137.85)	-18.44%	34,525.38	34,636.00	(110.62)	-0.32%
Total Operating	**(1,133.15)**	**(2,531.00)**	**1,397.85**	**-55.23%**	**(9,305.38)**	**(7,456.00)**	**(1,849.38)**	**24.80%**
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Investment Income	0.12	0.00	0.12	na	0.34	0.00	0.34	na
Other	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Revenues	0.12	0.00	0.12	na	0.34	0.00	0.34	na
Interest Expense	2,136.60	2,082.00	54.60	2.62%	6,234.66	6,199.00	35.66	0.58%
Amortization	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Expenses	2,136.60	2,082.00	54.60	2.62%	6,234.66	6,199.00	35.66	0.58%
GASB 68 Pension Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 75 OPEB Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 & 75 Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Total Non-Operating	**(2,136.48)**	**(2,082.00)**	**(54.48)**	**2.62%**	**(6,234.32)**	**(6,199.00)**	**(35.32)**	**0.57%**
NET INCOME (LOSS)	**(3,269.63)**	**(4,613.00)**	**1,343.37**	**-29.12%**	**(15,539.70)**	**(13,655.00)**	**(1,884.70)**	**13.80%**

Budget Income Statement - Electricity Fund

September 30, 2026

	Month Totals				Year to Date Totals			
	This Year September	Budget September	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
0 - Default								
Commercial	30,203.54	27,861.00	2,342.54	8.41%	90,499.30	102,213.00	(11,713.70)	-11.46%
Commercial Base Rates	193,785.50	189,000.00	4,785.50	2.53%	581,356.50	567,000.00	14,356.50	2.53%
Residential	22,548.02	15,703.00	6,845.02	43.59%	72,015.26	57,610.00	14,405.26	25.00%
Residential Base Rates	96,073.14	99,298.00	(3,224.86)	-3.25%	287,552.23	297,894.00	(10,341.77)	-3.47%
KMPUD Internal Usage	56,202.20	49,712.00	6,490.20	13.06%	174,336.82	153,877.00	20,459.82	13.30%
Meter Charges	3,319.18	2,779.00	540.18	19.44%	9,937.88	8,886.00	1,051.88	11.84%
Other	457.06	375.00	82.06	21.88%	2,286.82	1,125.00	1,161.82	103.27%
Operating Revenues	402,588.64	384,728.00	17,860.64	4.64%	1,217,984.81	1,188,605.00	29,379.81	2.47%
Cost of Goods Sold	38,087.01	35,514.00	2,573.01	7.25%	104,036.12	122,672.00	(18,635.88)	-15.19%
Salaries and Wages	9,590.00	32,191.00	(22,601.00)	-70.21%	47,593.06	95,637.00	(48,043.94) *	-50.24%
Payroll Taxes & EE Benefits	960.00	0.00	960.00	na	2,880.00	0.00	2,880.00	na
Operations & Maintenance	27,204.59	30,020.00	(2,815.41)	-9.38%	79,390.51	90,060.00	(10,669.49)	-11.85%
Contract Services	0.00	300.00	(300.00)	-100.00%	0.00	900.00	(900.00)	-100.00%
Operating Expenses	1,290.93	1,315.00	(24.07)	-1.83%	3,872.79	3,945.00	(72.21)	-1.83%
G & A Allocations	35,112.66	40,340.00	(5,227.34)	-12.96%	104,334.19	110,630.00	(6,295.81)	-5.69%
Internal Allocations	0.00	285.00	(285.00)	-100.00%	0.00	842.00	(842.00)	-100.00%
Depreciation	125,137.77	125,430.00	(292.23)	-0.23%	375,402.15	376,290.00	(887.85)	-0.24%
Operating Expenses	237,382.96	265,395.00	(28,012.04)	-10.55%	717,508.82	800,976.00	(83,467.18)	-10.42%
Total Operating	**165,205.68**	**119,333.00**	**45,872.68**	**38.44%**	**500,475.99**	**387,629.00**	**112,846.99**	**29.11%**
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Investment Income	7,957.08	0.00	7,957.08	na	20,967.28	0.00	20,967.28	na
Other	25.00	0.00	25.00	na	25,495.00	0.00	25,495.00	na
Non-Operating Revenues	7,982.08	0.00	7,982.08	na	46,462.28	0.00	46,462.28	na
Interest Expense	116,408.72	116,396.00	12.72	0.01%	349,200.34	349,188.00	12.34	0.00%
Amortization	36,374.41	36,400.00	(25.59)	-0.07%	109,123.24	109,200.00	(76.76)	-0.07%
Non-Operating Expenses	152,783.13	152,796.00	(12.87)	-0.01%	458,323.58	458,388.00	(64.42)	-0.01%
GASB 68 Pension Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 75 OPEB Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 & 75 Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Total Non-Operating	**(144,801.05)**	**(152,796.00)**	**7,994.95**	**-5.23%**	**(411,861.30)**	**(458,388.00)**	**46,526.70**	**-10.15%**
NET INCOME (LOSS)	**20,404.63**	**(33,463.00)**	**53,867.63**	**-160.98%**	**88,614.69**	**(70,759.00)**	**159,373.69**	**-225.23%**

* Salaries & Wages is below budget YTD due to an open operator position and the open Operations Manager position.

Budget Income Statement - Cable TV Fund

September 30, 2026

	Month Totals				Year to Date Totals			
	This Year September	Budget September	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
0 - Default								
Other	1,000.00	1,000.00	0.00	0.00%	3,000.00	3,000.00	0.00	0.00%
Operating Revenues	1,000.00	1,000.00	0.00	0.00%	3,000.00	3,000.00	0.00	0.00%
Salaries and Wages	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Payroll Taxes & EE Benefits	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Operations & Maintenance	0.00	50.00	(50.00)	-100.00%	0.00	150.00	(150.00)	-100.00%
Operating Expenses	0.00	0.00	0.00	na	0.00	0.00	0.00	na
G & A Allocations	852.24	979.00	(126.76)	-12.95%	2,532.38	2,684.00	(151.62)	-5.65%
Internal Allocations	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Depreciation	126.28	126.00	0.28	0.22%	378.85	378.00	0.85	0.22%
Operating Expenses	978.52	1,155.00	(176.48)	-15.28%	2,911.23	3,212.00	(300.77)	-9.36%
Total Operating	**21.48**	**(155.00)**	**176.48**	**-113.86%**	**88.77**	**(212.00)**	**300.77**	**-141.87%**
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Investment Income	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Other	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Interest Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Amortization	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Expenses	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 Pension Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 75 OPEB Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 & 75 Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Total Non-Operating	**0.00**	**0.00**	**0.00**	**na**	**0.00**	**0.00**	**0.00**	**na**
NET INCOME (LOSS)	**21.48**	**(155.00)**	**176.48**	**-113.86%**	**88.77**	**(212.00)**	**300.77**	**-141.87%**

Budget Income Statement - Snow Removal Fund

September 30, 2026

	Month Totals				Year to Date Totals			
	This Year September	Budget September	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
0 - Default								
KMPUD Internal Usage	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Other	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Operating Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Salaries and Wages	5,892.05	4,537.00	1,355.05	29.87%	26,956.50	12,101.00	14,855.50	122.76%
Payroll Taxes & EE Benefits	4,329.32	9,592.00	(5,262.68)	-54.87%	12,681.74	28,776.00	(16,094.26)	-55.93%
Operations & Maintenance	11,154.21	17,500.00	(6,345.79)	-36.26%	20,941.77	24,500.00	(3,558.23)	-14.52%
Contract Services	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Operating Expenses	0.00	2,000.00	(2,000.00)	-100.00%	0.00	3,700.00	(3,700.00)	-100.00%
G & A Allocations	19,260.84	22,128.00	(2,867.16)	-12.96%	57,231.88	60,685.00	(3,453.12)	-5.69%
Internal Allocations	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Depreciation	6,890.02	7,500.00	(609.98)	-8.13%	20,812.72	22,500.00	(1,687.28)	-7.50%
Operating Expenses	47,526.44	63,257.00	(15,730.56)	-24.87%	138,624.61	152,262.00	(13,637.39)	-8.96%
Total Operating	**(47,526.44)**	**(63,257.00)**	**15,730.56**	**-24.87%**	**(138,624.61)**	**(152,262.00)**	**13,637.39**	**-8.96%**
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Investment Income	1,250.60	0.00	1,250.60	na	3,618.59	0.00	3,618.59	na
Other	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Revenues	1,250.60	0.00	1,250.60	na	3,618.59	0.00	3,618.59	na
Interest Expense	1,055.55	1,131.00	(75.45)	-6.67%	3,375.26	3,456.00	(80.74)	-2.34%
Amortization	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Expenses	1,055.55	1,131.00	(75.45)	-6.67%	3,375.26	3,456.00	(80.74)	-2.34%
GASB 68 Pension Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 75 OPEB Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 & 75 Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Total Non-Operating	**195.05**	**(1,131.00)**	**1,326.05**	**-117.25%**	**243.33**	**(3,456.00)**	**3,699.33**	**-107.04%**
NET INCOME (LOSS)	**(47,331.39)**	**(64,388.00)**	**17,056.61**	**-26.49%**	**(138,381.28)**	**(155,718.00)**	**17,336.72**	**-11.13%**

Budget Income Statement - Propane Fund

September 30, 2026

	Month Totals				Year to Date Totals			
	This Year September	Budget September	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
0 - Default								
Commercial	23,062.05	16,358.00	6,704.05	40.98%	47,416.27	46,539.00	877.27	1.89%
Commercial Base Rates	13,628.16	13,638.00	(9.84)	-0.07%	40,884.48	40,914.00	(29.52)	-0.07%
Residential	19,562.39	14,888.00	4,674.39	31.40%	46,166.12	42,357.00	3,809.12	8.99%
Residential Base Rates	12,843.94	13,034.00	(190.06)	-1.46%	38,523.66	39,102.00	(578.34)	-1.48%
KMPUD Internal Usage	1,932.89	1,345.00	587.89	43.71%	3,642.61	3,938.00	(295.39)	-7.50%
Meter Charges	1,849.63	1,807.00	42.63	2.36%	5,547.90	5,421.00	126.90	2.34%
Other	62.41	0.00	62.41	na	166.98	0.00	166.98	na
Operating Revenues	72,941.47	61,070.00	11,871.47	19.44%	182,348.02	178,271.00	4,077.02	2.29%
Cost of Goods Sold	25,493.01	22,687.00	2,806.01	12.37%	56,658.77	64,546.00	(7,887.23)	-12.22%
Salaries and Wages	3,518.01	15,886.00	(12,367.99)	-77.85%	12,452.42	47,450.00	(34,997.58) *	-73.76%
Payroll Taxes & EE Benefits	5,098.06	6,213.00	(1,114.94)	-17.95%	13,421.50	18,639.00	(5,217.50)	-27.99%
Operations & Maintenance	855.56	3,650.00	(2,794.44)	-76.56%	8,952.94	18,250.00	(9,297.06)	-50.94%
Contract Services	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Operating Expenses	25.00	100.00	(75.00)	-75.00%	75.00	300.00	(225.00)	-75.00%
G & A Allocations	32,555.92	37,402.00	(4,846.08)	-12.96%	96,737.05	102,573.00	(5,835.95)	-5.69%
Internal Allocations	306.52	881.00	(574.48)	-65.21%	907.78	2,702.00	(1,794.22)	-66.40%
Depreciation	5,992.85	6,261.00	(268.15)	-4.28%	17,967.37	18,783.00	(815.63)	-4.34%
Operating Expenses	73,844.93	93,080.00	(19,235.07)	-20.67%	207,172.83	273,243.00	(66,070.17)	-24.18%
Total Operating	**(903.46)**	**(32,010.00)**	**31,106.54**	**-97.18%**	**(24,824.81)**	**(94,972.00)**	**70,147.19**	**-73.86%**
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Investment Income	3,131.95	0.00	3,131.95	na	8,091.89	0.00	8,091.89	na
Other	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Revenues	3,131.95	0.00	3,131.95	na	8,091.89	0.00	8,091.89	na
Interest Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Amortization	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Expenses	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 Pension Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 75 OPEB Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 & 75 Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Total Non-Operating	**3,131.95**	**0.00**	**3,131.95**	**na**	**8,091.89**	**0.00**	**8,091.89**	**na**
NET INCOME (LOSS)	**2,228.49**	**(32,010.00)**	**34,238.49**	**-106.96%**	**(16,732.92)**	**(94,972.00)**	**78,239.08**	**-82.38%**

* Salaries & Wages is below budget YTD due to an open operator position and the open Operations Manager position.

Budget Income Statement - Solid Waste Fund

September 30, 2026

	Month Totals				Year to Date Totals			
	This Year September	Budget September	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
0 - Default								
Commercial	2,194.65	0.00	2,194.65	na	6,583.95	0.00	6,583.95	na
Residential	31,394.88	32,375.00	(980.12)	-3.03%	93,784.71	97,125.00	(3,340.29)	-3.44%
Other	116.36	117.00	(0.64)	-0.55%	291.89	351.00	(59.11)	-16.84%
Operating Revenues	33,705.89	32,492.00	1,213.89	3.74%	100,660.55	97,476.00	3,184.55	3.27%
Salaries and Wages	1,150.50	1,756.00	(605.50)	-34.48%	3,919.65	5,268.00	(1,348.35)	-25.60%
Payroll Taxes & EE Benefits	731.95	772.00	(40.05)	-5.19%	1,826.29	2,316.00	(489.71)	-21.14%
Operations & Maintenance	17,914.94	15,100.00	2,814.94	18.64%	54,646.52	48,300.00	6,346.52	13.14%
Contract Services	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Operating Expenses	0.00	0.00	0.00	na	0.00	0.00	0.00	na
G & A Allocations	7,158.89	8,225.00	(1,066.11)	-12.96%	21,272.01	22,557.00	(1,284.99)	-5.70%
Internal Allocations	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Depreciation	457.20	457.00	0.20	0.04%	1,371.60	1,371.00	0.60	0.04%
Operating Expenses	27,413.48	26,310.00	1,103.48	4.19%	83,036.07	79,812.00	3,224.07	4.04%
Total Operating	**6,292.41**	**6,182.00**	**110.41**	**1.79%**	**17,624.48**	**17,664.00**	**(39.52)**	**-0.22%**
Contribution Revenues	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Investment Income	359.35	0.00	359.35	na	1,039.78	0.00	1,039.78	na
Other	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Revenues	359.35	0.00	359.35	na	1,039.78	0.00	1,039.78	na
Interest Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Amortization	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Non-Operating Expenses	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 Pension Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 75 OPEB Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
GASB 68 & 75 Expense	0.00	0.00	0.00	na	0.00	0.00	0.00	na
Total Non-Operating	**359.35**	**0.00**	**359.35**	**na**	**1,039.78**	**0.00**	**1,039.78**	**na**
NET INCOME (LOSS)	**6,651.76**	**6,182.00**	**469.76**	**7.60%**	**18,664.26**	**17,664.00**	**1,000.26**	**5.66%**

October Preliminaries

October 31, 2026	This Year October	Budget October	Variance Dollar	This Year YTD	Budget YTD	Variance Dollar
Commercial	77,646.26	99,748.00	(22,101.74)	277,559.51	354,968.00	(77,408.49)
Commercial Base Rates	287,099.19	293,292.00	(6,192.81)	1,157,098.11	1,173,168.00	(16,069.89)
Residential	193,011.13	102,016.00	90,995.13	506,825.80	368,118.00	138,707.80
Residential Base Rates	203,594.15	201,913.00	1,681.15	825,436.71	807,652.00	17,784.71
KMPUD Internal Usage	61,430.24	57,225.00	4,205.24	240,421.60	215,831.00	24,590.60
Meter Charges	10,916.93	10,212.00	704.93	43,595.82	41,397.00	2,198.82
Property Taxes	83,577.00	83,577.00	0.00	334,308.00	334,308.00	0.00
Other	86,588.40	85,546.00	1,042.40	170,975.83	141,154.00	29,821.83
Operating Revenues	1,003,863.30	933,529.00	70,334.30	3,556,221.38	3,436,596.00	119,625.38

CASH FLOW REPORT	ACTUALS			FORECAST									
	July 2026	August 2026	September 2026	October 2026	November 2026	December 2026	January 2027	February 2027	March 2027	April 2027	May 2027	June 2027
CASH FLOWS FROM OPERATIONS												
Receipts from customers	$ 892,315	$ 681,098	$ 722,482	$ 821,686	$ 1,225,366	$ 999,785	$ 1,164,110	$ 1,599,064	$ 1,231,441	$ 1,141,770	$ 959,368	$ 821,438
Payments to suppliers	(664,437)	(219,241)	(271,317)	(346,310)	(426,522)	(595,754)	(523,314)	(317,965)	(471,197)	(488,188)	(109,995)	(306,136)
Payments to employees	(195,979)	(190,505)	(154,096)	(234,797)	(256,066)	(256,316)	(288,736)	(288,735)	(288,725)	(220,962)	(205,958)	(199,538)
Total cash from operating activities	31,899	271,352	297,069	240,579	542,778	147,715	352,060	992,364	471,519	432,620	643,415	315,764
CASH FLOWS FROM INVESTMENTS (including Capital)												
Purchase of capital assets	-	(5,889)	(4,121)	-	-	-	-	-	-	-	-	-
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Long-term debt - principal paid	(6,788)	(6,726)	(369,425)	(6,846)	(6,833)	(956,050)	(6,915)	(6,956)	(365,931)	(7,040)	(7,172)	(364,988)
Interest paid on long-term debt	(3,178)	(3,240)	(352,419)	20,138	-	(337,473)	(81,732)	-	(322,786)	(40,118)	-	(363,392)
Net cash from capital and related financing activities	(9,966)	(15,855)	(725,965)	13,292	(6,833)	(1,293,523)	(88,647)	(6,956)	(688,717)	(47,158)	(7,172)	(728,380)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts from property taxes and other non-operating revenues and expenses	258,052	124,586	102,698	83,577	83,577	85,672	83,577	83,577	83,577	83,577	83,577	83,577
NET CHANGE IN CASH AND CASH EQUIVALENTS	279,985	380,083	(326,198)	337,448	619,522	(1,060,136)	346,990	1,068,985	(133,621)	469,039	719,820	(329,039)
CASH AND CASH EQUIVALENTS, beginning of period	8,327,697	8,607,682	8,987,765	8,661,567	8,999,015	9,618,537	8,558,401	8,905,391	9,974,376	9,840,755	10,309,794	11,029,614
CASH AND CASH EQUIVALENTS, end of period	$ 8,607,682	$ 8,987,765	$ 8,661,567	$ 8,999,015	$ 9,618,537	$ 8,558,401	$ 8,905,391	$ 9,974,376	$ 9,840,755	$ 10,309,794	$ 11,029,614	$ 10,700,575
	-	-	-	-	-	-	-	-	-	-	-	-

BUDGET TO ACTUAL SUMMARY												
Operating Fund - Revenue (Budget)	2,393,404	1,722,402	1,054,105									
Operating Fund - Revenue (Actual)	2,749,998	2,110,565	1,762,567									
Variance	356,594	388,163	708,462	-	-	-	-	-	-	-	-	-
Capital Reserve (Budget)	4,952,788	5,952,788	5,952,788									
Capital Reserve (Actual)	4,968,860	5,985,479	6,004,452									
Variance	16,072	32,691	51,664	-	-	-	-	-	-	-	-	-

CURRENT ASSETS - FUND DETAIL												
Operating Fund - Revenue	$ 2,749,998	$ 2,110,565	$ 1,762,567									
Capital Reserve	4,968,860	5,985,479	6,004,452									
KVFD Reserve	168,111	168,659	169,194									
Restricted	720,713	723,062	725,354									
	$ 8,607,682	$ 8,987,765	$ 8,661,567	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
OPERATING FUND BREAKDOWN - GENERAL LEDGER BALANCE												
Money Market	$ 267	$ 267	$ 267									
Petty	181	181	181									
LAIF	12,523	12,523	12,649									
General	95,478	80,454	59,748									
Operating Fund - Revenue	2,626,683	1,962,840	1,637,519									
Payroll Clearing	4,866	44,300	42,203									
Public Analysis	10,000	10,000	10,000									
Total Operating Fund	$ 2,749,998	$ 2,110,565	$ 1,762,567	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

BANK STATEMENT BALANCES												
Five Star Bank - Revenue Bank Statement	$ 2,604,459	$ 1,932,828	$ 1,596,983									
Reconciling Items (e.g. uncleared checks)	22,224	30,012	40,536	-	-	-	-	-	-	-	-	-
Operating Fund - Revenue	$ 2,626,683	$ 1,962,840	$ 1,637,519	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Five Star Bank - Capital Reserve Bank Statement	$ 4,968,860	$ 5,985,479	$ 6,004,452	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

KMPUD Outstanding Debt as of 09/30/2026

Five Star Bank Snow Removal Equip. Loan		
Original Principal Financed	$	308,844.53
Interest Rate		7.75%
Total Principal Paid	$	144,492.85
Remaining Principal Balance	$	164,351.68
Remaining Interest Owed	$	16,635.58
Total Future Payments	**$**	**180,987.26**
Maturity Date		Feb-29

Five Star Bank Meadowstone #108 Mortgage		
Original Principal Financed	$	460,000.00
Interest Rate		5.17%
Total Principal Paid	$	10,367.42
Remaining Principal Balance	$	449,632.58
Remaining Interest Owed	$	187,371.77
Total Future Payments	**$**	**637,004.35**
Maturity Date		Aug-35

BMO Sun Meadows #111 Mortgage		
Original Principal Financed	$	172,000.00
Interest Rate		4.60%
Total Principal Paid	$	156,522.77
Remaining Principal Balance	$	15,477.23
Remaining Interest Owed	$	935.00
Total Future Payments	**$**	**16,412.23**
Maturity Date		Jun-29

USDA / RUS WWTP Financing		
Original Principal Financed	$	7,170,000.00
Interest Rate		1.75%
Total Principal Paid	$	-
Remaining Principal Balance	$	7,170,000.00
Remaining Interest Owed	$	2,859,995.71
Total Future Payments	**$**	**10,029,995.71**
Maturity Date		Apr-66

USDA / RUS Electric Financing			
Original Principal Financed	$	61,765,000.00	
Interest Rate		2.98%	*blended interest rate
Total Principal Paid	$	17,527,000.51	
Remaining Principal Balance	$	44,237,999.49	*see RUS Debt sheet for further detail
Remaining Interest Owed	$	14,758,164.90	
Total Future Payments	**$**	**58,996,164.39**	
Maturity Date		Dec-52	*final maturity date

RUS Electric Loans

Remaining Principal Balance	$	44,237,999.49
Remaining Interest Owed	$	14,758,164.90
Total Future Payments	**$**	**58,996,164.39**
Final Note Maturity Date		Dec-52

Note	Principal	Interest	Total	Org. Date	Matures	Int. Rate	Due @ Maturity
1	$ 741,588.63	$ 240,269.62	$ 981,858.25	Mar-13	Dec-47	2.75%	$ -
2	$ 1,112,382.76	$ 356,873.21	$ 1,469,255.97	Mar-13	Dec-47	2.75%	$ -
3	$ 1,483,177.27	$ 480,649.37	$ 1,963,826.64	Mar-13	Dec-47	2.75%	$ -
4	$ 10,742,652.23	$ 3,489,386.48	$ 14,232,038.71	Mar-13	Dec-47	2.75%	$ -
5	$ 1,224,362.61	$ 393,552.87	$ 1,617,915.48	Mar-13	Dec-47	2.75%	$ -
6	$ 1,641,099.38	$ 475,083.82	$ 2,116,183.20	May-13	Dec-47	2.47%	$ -
7	$ 5,653,095.87	$ 2,260,813.03	$ 7,913,908.90	Jul-13	Dec-47	3.33%	$ -
8	$ 2,101,328.85	$ 912,183.97	$ 3,013,512.82	Sep-13	Dec-47	3.59%	$ -
9	$ 1,226,223.74	$ 532,302.39	$ 1,758,526.13	Sep-13	Dec-47	3.59%	$ -
10	$ 2,089,416.51	$ 865,219.35	$ 2,954,635.86	Sep-13	Dec-47	3.44%	$ -
11	$ 1,218,826.18	$ 504,708.08	$ 1,723,534.26	Sep-13	Dec-47	3.56%	$ -
12	$ 1,249,065.33	$ 461,011.60	$ 1,710,076.93	Jun-14	Dec-47	3.10%	$ -
13	$ 1,505,805.16	$ 549,770.45	$ 2,055,575.61	Jun-14	Dec-47	3.10%	$ -
14	$ 1,509,753.02	$ 569,454.36	$ 2,079,207.38	Jun-14	Dec-47	3.16%	$ -
15	$ 649,949.03	$ 245,150.48	$ 895,099.51	Jun-14	Dec-47	3.16%	$ -
16	$ 318,977.34	$ 66,369.66	$ 385,347.00	Jul-14	Sep-34	3.02%	$ 225,440.85
17	$ 449,317.61	$ 71,930.77	$ 521,248.38	Jul-14	Sep-32	2.97%	$ 356,896.77
18	$ 522,553.35	$ 56,622.80	$ 579,176.15	Jul-14	Sep-30	2.90%	$ 455,447.28
21 Refi	$ 481,041.71	$ 2,577.27	$ 483,618.98	Sep-20	Dec-27	0.43%	$ 460,051.20
22	$ 539,001.48	$ 29,420.59	$ 568,422.07	Jul-14	Sep-28	2.80%	$ 509,491.72
23	$ 3,651.37	$ 970.56	$ 4,621.93	Mar-15	Dec-47	2.29%	$ -
B8 1	$ 666,835.25	$ 67,277.33	$ 734,112.58	Sep-14	Sep-30	2.70%	$ 579,179.03
B8 2	$ 740,658.50	$ 37,753.28	$ 778,411.78	Sep-14	Sep-28	2.62%	$ 698,866.02
B8 3 Refi	$ 1,286,143.67	$ 412,340.80	$ 1,698,484.47	Sep-14	Sep-33	5.11%	$ 1,015,257.85
B8 8 Refi	**$ 599,913.68**	**$ 5,227.37**	**$ 605,141.05**	**Dec-25**	**Dec-26**	**3.45%**	**$ 605,141.05**
B8 9 Refi	$ 602,610.98	$ 129,161.36	$ 731,772.34	Dec-24	Dec-31	4.42%	$ 512,375.34
B8 10 Refi	$ 587,808.00	$ 90,076.46	$ 677,884.46	Oct-14	Dec-35	1.54%	$ 371,144.01
C8	$ 3,290,759.98	$ 1,452,007.57	$ 4,742,767.55	Dec-18	Dec-52	2.95%	$ -

Balance Sheet - Consolidated

October 31, 2026

	Actual October, 2026	Budget October, 2026	Variance
ASSETS			
Assets			
Total Total PG Cash	50,725.68	0.00	50,725.68
Total Total KVFD Cash	190,777.95	0.00	190,777.95
Total CWIP PG - Playground	70,285.49	0.00	70,285.49
Total CWIP KVFD	52,088.07	0.00	52,088.07
Total KVFD Prepaid Expenses	450.65	0.00	450.65
Total Assets	364,327.84	0.00	364,327.84
Total Assets	364,327.84	0.00	364,327.84
Total Assets and Deferred Outflows	**364,327.84**	0.00	364,327.84
LIABILITIES			
Liabilities			
Total PG Accounts Payable	0.00	0.00	0.00
Total KVFD Accounts Payable	2,035.38	0.00	2,035.38
Total Summer Festival Advance Donations	0.00	0.00	0.00
Total Summer Festival Advance Tickets	0.00	0.00	0.00
Total Liabilities	2,035.38	0.00	2,035.38
Total Liabilities	2,035.38	0.00	2,035.38
Total Liabilities and Deferred Inflows	**2,035.38**	0.00	2,035.38
EQUITY			
Equity			
Total Equity	321,160.46	0.00	321,160.46
Total Equity	321,160.46	0.00	321,160.46
Total Equity	321,160.46	0.00	321,160.46
Total Liabilities, Deferred Inflows, and Equity	**323,195.84**	0.00	323,195.84

Database: Fire Live
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Report:D:\Homedir\PCS\Reports\ClientCustom\Calendar Combined Balance.rpt
Last Modified: 10/13/2017

Budget Income Statement - KVFD Fund

October 31, 2026

	Month Totals				Year to Date Totals			
	This Year October	Budget October	Variance Dollar	Variance Percent	This Year YTD	Budget YTD	Variance Dollar	Variance Percent
1 - KVFD								
Donations	3,547.80	0.00	3,547.80	na	46,191.09	0.00	46,191.09	na
Revenue	3,547.80	0.00	3,547.80	na	46,191.09	0.00	46,191.09	na
Total Revenue	**3,547.80**	**0.00**	**3,547.80**	**na**	**46,191.09**	**0.00**	**46,191.09**	**na**
Bank Fees	30.38	0.00	30.38	na	104.76	0.00	104.76	na
Contract Services	2,005.00	0.00	2,005.00	na	2,005.00	0.00	2,005.00	na
Supplies & Operating Materials	0.00	0.00	0.00	na	2,402.85	0.00	2,402.85	na
Expenses	2,035.38	0.00	2,035.38	na	4,512.61	0.00	4,512.61	na
Total Expenses	**(2,035.38)**	**0.00**	**(2,035.38)**	**na**	**(4,512.61)**	**0.00**	**(4,512.61)**	**na**
NET INCOME (LOSS)	**1,512.42**	**0.00**	**1,512.42**	**na**	**41,678.48**	**0.00**	**41,678.48**	**na**

STAFF REPORT

Customer Water Leak

Background:

On October 19, 2026, KMPUD received a report from a community member about a possible water leak. Staff investigated and found a leak on the customer side of a residential meter. The water service for this residence was shut off, and the customer was contacted to arrange for repair of the leak. The leak was repaired by the customer's contractor on October 28, 2026, and water service was restored.

The water meter for this residence stopped remote transmitting on April 23, 2026, and at that time the meter reading was 16,319 cu ft. A work order was created for the remote transmitting issue, however, at the time of the leak, the meter box location was not known and, when found, the meter box was buried under approximately six inches of dirt and vegetation. Additionally, staff noted that the meter was housed in a concrete enclosure that does not meet current KMPUD standards. Per Policy Statement 620, each customer is responsible for providing an appropriate conditioned space acceptable to the District for installation of the water meter.

The reading on the meter at the time that the leak was confirmed was 155,463 cu ft (1,040,797 gallons of usage since April 23, 2026). The resultant charges associated with the leak are $22,620 for water usage and $73,980 for wastewater usage. Staff confirmed that the leak was confined to the exterior of the house and that the water from the leak did not enter the wastewater collection system.

Staff further confirmed that a leak credit was issued for this account on July 24, 2024 in the amount of $537.12. Under District Regulation 620.02, the customer may apply for a leak credit once every five years, which adjusts the wastewater charge to their 3-year average if the conditions of the Regulation are satisfied. The conditions include reasonable and good faith efforts to prevent water leaks and expedite the repair of any water leaks within the customer's responsibility area. A credit for the water usage is not normally provided under the Regulation; however, Section C allows General Manager discretion in special circumstances and instances.

Recommendation:

Staff recommends that due to the location and duration of the leak and the condition of the meter enclosure, that the following leak credit be extended due to special circumstances, provided the associated conditions are met.

Proposed Leak Credit

- Credit of $73,980 in wastewater charges since the water from the leak did not enter the wastewater collection system.
- Credit of $22,366 in water charges based on input from water staff that leaks are usually resolved (repaired or shut off) within 2 days.

Proposed Conditions

- That the wastewater leak credit be reduced by the amount of the 2024 leak credit, $537.12, and that the current leak credit date be used for the five-year requirement per Regulation 620.02 for any future leaks.
- That the water leak credit be contingent on customer replacement of the meter enclosure during the 2027 construction season with an enclosure that meets, and is installed to, current KMPUD specifications. Construction must be completed, including KMPUD inspection and acceptance, by October 15, 2027.

Given the large costs associated with this leak, staff recommends that the customer not be billed any late charges associated with the leak through October 2027, while the conditions for the leak credit are being met.

Fiscal Impact:

The cost of the leak, using the avoided cost from the 2025 Water/Wastewater Rate Study, is $12,490. If the proposed leak credit is applied as outlined above, the cost to KMPUD for water produced, but not billed, will be $11,700.

Prepared By:

Brandi Benson