



Management Letter

June 14, 2024

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

In planning and performing our audit of the financial statements of Tahoe City Public Utility District (the District) as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the District's system of internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated June 14, 2024, on the financial statements of the District.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the District, and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

MUN CPAs, LLP

MUN CPAs, LLP

Tahoe City Public Utility District
Control Deficiencies and Internal Control Recommendations
December 31, 2023

Supply Inventory

At present, there are no usage or perpetual inventory records available to assist in the District's valuation of supply inventory. We recommend a perpetual inventory system be established to control selected inventory items. Periodic physical counts should be made and reconciled to the perpetual records. As the District's inventory consists of supplies and is held for use, inventory should be reported at cost.