



**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**WITH REPORT OF**

**CERTIFIED PUBLIC ACCOUNTANTS**

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**HINTONBURDICK**  
CPAs & ADVISORS

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

Board of Directors  
Truckee-Carson Irrigation District  
Fallon, Nevada

***Report on the Review of the Financial Statements***

We have reviewed the accompanying financial statements of the business-type activities of Truckee-Carson Irrigation District (the District), a political subdivision of the State of Nevada, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Truckee-Carson Irrigation District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

***Management's Responsibility for the Financial Statements***

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

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

***Accountant's Responsibilities for the Review of the Financial Statements***

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Truckee-Carson Irrigation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

***Accountant's Conclusion***

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the schedule of proportionate share of the net pension liability, the schedules of contributions, and the schedule of proportionate share of the net OPEB liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Management has omitted management's discussion and analysis that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

*HintonBurdick, PLLC*

St. George, UT  
March 28, 2025

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Statement of Net Position**  
**June 30, 2024**

|  | 2024          |
|--|---------------|
| <b>Assets</b>                                    |               |
| Current assets:                                  |               |
| Cash and cash equivalents                        | \$ 110,464    |
| LGIP Investments                                 | 2,965,192     |
| Accounts receivable, net of allowance            | 322,217       |
| Grants receivable                                | 73,779        |
| Interest receivable, current portion             | 971,156       |
| Inventory of materials and supplies              | 78,070        |
| Prepaid expenses                                 | 202,162       |
| Total unrestricted current assets                | 4,723,040     |
| Restricted Emergency Fund                        | 188,586       |
| Restricted LGIP investments                      | 2,531,747     |
| Total restricted current assets                  | 2,720,333     |
| Total current assets                             | 7,443,373     |
| Noncurrent assets:                               |               |
| Capital assets not being depreciated             | 802,071       |
| Capital assets , net of accumulated depreciation | 10,122,696    |
| Lease receivable - SPPC                          | 27,000,000    |
| Interest receivable, noncurrent portion          | 5,520,000     |
| Total noncurrent assets                          | 43,444,767    |
| Total assets                                     | 50,888,140    |
| <b>Deferred outflows of resources</b>            |               |
| Deferred outflows related to pensions            | 1,830,913     |
| Deferred outflows related to OPEB                | 27,853        |
| Total deferred outflows                          | 1,858,766     |
| Total assets and deferred outflows               | \$ 52,746,906 |

(Continued)

The accompanying notes are an integral part of the financial statements.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Statement of Net Position, continued**  
**June 30, 2024**

| <b>Liabilities</b>                                       | <u>2024</u>          |
|--|----------------------|
| Current liabilities:                                     |                      |
| Accounts payable   | \$ 440,204           |
| Accrued payroll and benefits                             | 117,818              |
| Compensated absences payable, current portion            | 272,706              |
| Contracts payable, current portion                       | 255,940              |
| Notes payable, current portion                           | 47,385               |
| Interest payable   | <u>32,138</u>        |
| Total current liabilities                                | <u>1,166,191</u>     |
| Noncurrent liabilities:                                  |                      |
| Refundable deposits, net of current maturities           | 4,197                |
| Compensated absences payable                             | 272,705              |
| Due to the City of Fernley                               | 22,000               |
| Contracts payable, net of current portion                | 1,366,940            |
| Notes payable, net of current portion                    | 1,473                |
| Net pension liability                                    | 5,467,811            |
| Other post-employment benefit liability                  | <u>348,897</u>       |
| Total noncurrent liabilities                             | <u>7,484,023</u>     |
| Total liabilities  | <u>8,650,214</u>     |
| <b>Deferred inflows of resources</b>                     |                      |
| Deferred inflows related to leases                       | 27,000,000           |
| Deferred inflows related to pensions                     | <u>262,941</u>       |
| Total deferred inflows                                   | <u>27,262,941</u>    |
| Total liabilities and deferred inflows                   | <u>35,913,155</u>    |
| Net Position   |                      |
| Net investment in capital assets                         | 9,556,354            |
| Restricted for conservation improvements                 | 1,134,292            |
| Restricted for emergency repairs                         | 188,586              |
| Restricted for capital improvement debt covenant         | 1,397,455            |
| Unrestricted   | <u>4,557,064</u>     |
| Total net position                                       | <u>16,833,751</u>    |
| Total liabilities, deferred inflows,<br>and net position | <u>\$ 52,746,906</u> |

The accompanying notes are an integral part of the financial statements.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended June 30, 2024**

|  | 2024          |
|--|---------------|
| Operating revenues                                 |               |
| Operations and maintenance assessments             | \$ 5,151,500  |
| Hydro electric generation                          | 845,715       |
| Map fees, permits, licenses and other              | 134,875       |
| Property rent and royalty                          | 176,571       |
| Portfolio energy credits                           | 79,364        |
| Total operating revenue                            | 6,388,025     |
| Operating expenses                                 |               |
| Salaries and wages                                 | 2,745,549     |
| Employee benefits                                  | 2,006,428     |
| Materials, supplies, repairs & maintenance         | 948,128       |
| Insurance  | 764,515       |
| Administrative                                     | 639,078       |
| Legal & professional services                      | 938,588       |
| Utilities  | 110,354       |
| Services, dues & subscriptions, licenses & permits | 81,793        |
| Depreciation                                       | 577,124       |
| Total operating expenses                           | 8,811,557     |
| Operating income / (loss)                          | (2,423,532)   |
| Non-operating income (expenses)                    |               |
| Interest income                                    | 1,429,718     |
| Grant revenue                                      | 394,252       |
| Interest expense                                   | (44,635)      |
| Other expense                                      | (23,606)      |
| Total non-operating revenue (expenses)             | 1,755,729     |
| Change in net position                             | (667,803)     |
| Total net position - beginning of year             | 17,501,554    |
| Total net position - end of year                   | \$ 16,833,751 |

The accompanying notes are an integral part of the financial statements.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2024**

|  | 2024                |
|--|---------------------|
| <b>Cash flows from operating activities:</b>   |                     |
| Cash received from operations and maintenance assessments  | \$ 5,103,975        |
| Cash received from generation  | 845,715             |
| Cash received from property rent and royalties   | 176,571             |
| Cash received from other revenues  | 214,239             |
| Cash paid to employees / employee benefits   | (4,375,199)         |
| Cash paid to suppliers for goods and services  | (3,263,826)         |
| Cash flows from operating activities   | (1,298,525)         |
| <b>Cash flows from noncapital financing activities:</b>  |                     |
| Other expenses   | (23,606)            |
| Cash flows from noncapital and related financing activities                                      | (23,606)            |
| <b>Cash flows from capital and related financing activities:</b>                                 |                     |
| Purchase of capital assets   | (392,541)           |
| Payment on contract with SPPCO   | 840,000             |
| Proceeds from grants   | 394,252             |
| Principal payments on notes payable  | (47,385)            |
| Interest payments on long term debt  | (50,096)            |
| Cash flows from capital and related financing activities   | 744,230             |
| <b>Cash flows from investing activities:</b>   |                     |
| Interest income on investments   | 240,851             |
| Cash flows from investing activities   | 240,851             |
| Net change in cash and cash equivalents,<br>including restricted cash and LGIP investments       | (337,050)           |
| Cash and cash equivalents, beginning of year<br>including restricted cash and LGIP investments   | 6,133,040           |
| <b>Cash and cash equivalents, end of year<br/>including restricted cash and LGIP investments</b> | <b>\$ 5,795,990</b> |

(Continued)

The accompanying notes are an integral part of the financial statements.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Statement of Cash Flows - Continued**  
**For the Year Ended June 30, 2024**

|   | 2024           |
|---|----------------|
| <b>Reconciliation of operating income (loss) to net cash flows from operating activities:</b> |                |
| Operating income / (loss)   | \$ (2,423,532) |
| Adjustments to reconcile operating income / (loss) to cash flows from operating activities:   |                |
| Depreciation  | 577,124        |
| Annual pension / OPEB expense   | 766,254        |
| Pension and OPEB contributions  | (424,800)      |
| Changes in operating assets and liabilities:  |                |
| (Increase)/decrease in accounts receivable  | (47,525)       |
| (Increase)/decrease in inventory of materials and supplies                                    | (13,902)       |
| (Increase)/decrease in prepaids   | (12,204)       |
| Increase/(decrease) in accounts payable   | 244,736        |
| Increase/(decrease) in accrued payroll and benefits   | (5,972)        |
| Increase/(decrease) in accrued compensated absences   | 41,296         |
|   | 41,296         |
| Net cash flows from operating activities  | \$ (1,298,525) |

**Supplemental Schedule of Non-Cash Financing and Investing Activities:**

|   |            |
|---|------------|
| Increase in interest receivable - SPPCO annual payment    | \$ 374,184 |
| Increase in capital assets and contracts payable with BOR | 78,880     |

The accompanying notes are an integral part of the financial statements.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

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**Note 1. Summary of Significant Accounting Policies**

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**Reporting Entity**

Truckee-Carson Irrigation District (the District) is an irrigation district formed under Chapter 539 of the Nevada Revised Statutes in 1918 to address various water resource issues in the federal Reclamation Project in northwestern Nevada, known as the Newlands Reclamation Project. In 1926, the District entered into a contract with United States Bureau of Reclamation to operate and maintain the Newlands Project. The Newlands Project includes several hundred miles of canals, ditches, laterals and drains, and services over 3,000 water right owners in the Fernley and Fallon areas. The Newlands Project water right owners obtain their water from two major sources, the Truckee River and the Carson River. The water delivered by the District to the Newlands Project water right owners is used for irrigation, stock watering, and for wildlife habitats at Carson Lake, Carson pasture, and the Stillwater National Wildlife Refuge. The District owns and operates hydroelectric generation plants to assist in offsetting costs of water delivery.

The governing board consists of seven members elected by the water right holders of the District for four-year terms. The District is fiscally independent of all other governments.

**Basis of Presentation and Accounting**

The District's basic financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

The accounts of the District are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses. Enterprise Funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District are accounted for using the economic resources measurement focus. With this measurement focus, all assets and all liabilities and deferred outflows and inflows of resources associated with the operations are included on the statement of net position. Net position (i.e., total assets and deferred outflows of resources net of total liabilities and deferred inflows of resources) is segregated into net investment in capital assets; restricted; and unrestricted.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Operations and maintenance assessments are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Rent revenues have been reported as unearned if the funds have been received prior to the period in which the rental activity will take place.

**Use of Estimates**

Management of the District has made certain estimates and assumptions relating to the reporting of assets, deferred outflows, liabilities, deferred outflows, revenues and expenses to prepare these financial statements in conformity with generally accepted accounting principles. Actual results may differ from those estimates.

**Cash Equivalents**

The District considers all highly liquid investments (including restricted cash and investments) with maturities of three months or less when purchased to be cash equivalents.

**Restricted Cash**

The contract with the Bureau of Reclamation requires that the District maintain reserves for conservation improvements and emergency repairs, these amounts are \$1,134,292 and \$188,586 respectively. The state of Nevada requires a portion of revenues restricted for construction, reconstruction or maintenance (capital improvements). The balance as of 6/30/2024 is \$1,397,455.

**Accounts Receivable**

Accounts are charged to bad debts as they are deemed uncollectible based upon a periodic review of accounts. The allowance is an amount estimated by management to be adequate to absorb possible losses. The allowance at June 30, 2024 was \$52,800.

**Leases**

The District is a lessor for a noncancellable lease of the “Electric Business and “Electric Facilities” of the district for a term of 50 years beginning in 1999 through 2048. The District recognizes a lease receivable and a deferred inflow of resources in the statement of net position. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

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

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

**Investments**

State statutes authorize deposits in any bank, credit union or savings and loan that are federally insured. The District may invest in the following securities:

- United States bonds and debentures, bills and notes of the United States Treasury, or obligations of the United States or a corporation sponsored by the government maturing within ten (10) years from the date of purchase.
- Certain farm loan bonds.
- Negotiable certificates of deposit from commercial banks, insured credit unions or insured savings and loan associations.
- State of Nevada Local Government Pooled Investment Fund.
- Certain securities issued by local governments of the State of Nevada.
- Certain “AAA” rated money market mutual funds that invest in federal securities.
- Other securities expressly provided by other statutes, including repurchase agreements.
- Certain banker’s acceptances not to exceed 180 days maturities or 20% of the money available for investment.
- Obligations of state and local governments rated A or higher and exempt from gross income for federal income tax purposes.
- Certain corporate or depository institution commercial paper purchased from a registered broker-dealer rated A-1, P-1, or better with maturity of no more than 270 days.

Pursuant to NRS 355.167, the District may also invest in the Local Government Investment Pool administered by the State Treasurer with oversight by the Board of Finance of the State of Nevada. Investment in the Local Government Investment Pool is carried at fair value, which is the same as the value of the pool shares.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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**Capital Assets**

The cost of additions and major improvements to project facilities and equipment are capitalized. The District defines capital assets as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Cost includes direct labor, outside services, materials and transportation, employee fringe benefits, overhead, and interest on funds borrowed to finance construction. The cost and accumulated depreciation of property sold or retired is deducted from capital assets, and any profit or loss resulting from the disposal is credited or charged in the nonoperating section of the statement of revenues, expenses and changes in net assets. The cost of current repairs, maintenance, and minor replacements is charged to expense.

Depreciation has been provided over estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

|                                     |             |
|-------------------------------------|-------------|
| Project facilities and improvements | 10-50 years |
| Hydroelectric facilities            | 10-50 years |
| Equipment and vehicles              | 5-10 years  |

**Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position may report a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District recognizes deferred outflow of resources as it relates to the net pension liability and other postemployment benefits liability.

In addition to liabilities, the Statement of Net Position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period (s) and so will not be recognized as an inflow of resources (revenue) until that time. The District recognizes deferred inflow of resources as it relates to the net pension liability and other postemployment benefits liability.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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**Compensated Absences**

Employees of the District may accumulate vacation to a maximum of one and one-half times the employee's rate of accrual. Any amount over that shall be paid at the current rate of pay on the payroll next following the employee's anniversary date of employment. Sick leave with pay is accrued at 8 hours per month and may be accumulated up to 480 hours. Sick leave accumulated in excess of 480 hours shall be paid for at the current rate of pay on the payroll next following the employee's anniversary date of employment. An employee with over one year of service to the District will be paid accumulated vacation upon termination of employment. An employee with over five years of service to the District will be paid all accumulated sick leave and vacation upon termination of employment. The rate of pay is based upon the salary scale in effect at the date of payment.

**Pensions**

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of the State of Nevada (PERS) Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**Other Postemployment Benefits (OPEB)**

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB and plan expense, information has been actuarially determined as of June 30, 2023 and has been rolled forward to the June 30, 2024 measurement date. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms.

**Long-Term Debt and Costs**

Long-term debt is reported at face value. Costs related to the issuance of debt are expensed as incurred.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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**Operating and Nonoperating Revenues and Expenses**

Operating revenues and expenses consist of those revenues that result from the ongoing principal operations of the District. Operating revenues consist primarily of assessments for water delivery, utility revenues from hydro generation and other miscellaneous revenues. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing type activities and result from ancillary activities.

**Net Position**

Net position comprises the various net earnings from operating income, nonoperating revenues and expenses. Net position is classified in the following three components:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law.

Unrestricted – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When an expense is incurred for purposes for which there are both restricted and unrestricted net position available, it is the District’s policy to apply those expenses to restricted net position to the extent such are available and then to unrestricted net position.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

**Note 2. Cash and Investments**

Cash and investments are presented on the accompanying statement of net position as of June 30, 2024 as follows:

Cash

|                                  |    |         |
|----------------------------------|----|---------|
| Cash in bank                     | \$ | 110,464 |
| Emergency fund - restricted cash |    | 188,586 |
| Total cash                       |    | 299,050 |

Investments

|   |    |           |
|---|----|-----------|
| Local government investment pool (LGIP)*      |    | 2,965,192 |
| Restricted local government investment pool * |    | 2,531,747 |
| Total investments                             |    | 5,496,939 |
| Total cash and investments                    | \$ | 5,795,989 |

\*Represents average weighted maturity of 82 days.

**Interest Risk** – Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. The District does not have a formal investment policy that limits investments as a means of managing its exposure to fair value losses arising from increasing interest rates beyond those specified in the statute.

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality rating of its investments. LGIP is an unrated external investment pool and the District does not have a formal investment policy that specifies minimum acceptable credit ratings beyond those specified in the statute.

**Custodial Credit Risk – Deposits:** Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned. At June 30, 2024, the District’s bank balance of cash and investments was \$5,795,989. The District’s bank deposits are covered by FDIC insurance and collateralized by the Office of the State Treasurer/Nevada Collateral Pool.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

**Note 3. Capital Assets and Depreciation**

Capital asset activity for the year ended June 30, 2024 was as follows:

|  | Balance<br>06/30/23  | Additions           | Disposals             | Balance<br>06/30/24  |
|--|----------------------|---------------------|-----------------------|----------------------|
| Capital assets not being depreciated:                    |                      |                     |                       |                      |
| Land   | \$ 55,545            | \$ -                | \$ -                  | \$ 55,545            |
| Water Rights   | 3,991                | -                   | -                     | 3,991                |
| Construction in progress                                 | 3,441,024            | 110,810             | (2,809,300)           | 742,534              |
| <br>   |                      |                     |                       |                      |
| Total capital assets<br>not being depreciated            | <u>3,500,560</u>     | <u>110,810</u>      | <u>(2,809,300)</u>    | <u>802,070</u>       |
| <br>   |                      |                     |                       |                      |
| Capital assets being depreciated:                        |                      |                     |                       |                      |
| Project facilities and improvements                      | 11,360,611           | 2,809,300           | -                     | 14,169,911           |
| Hydro electric facilities                                | 8,474,962            | -                   | -                     | 8,474,962            |
| Equipment and vehicles                                   | 4,675,257            | 104,672             | -                     | 4,779,929            |
| Total capital assets<br>being depreciated                | <u>24,510,830</u>    | <u>2,913,972</u>    | <u>-</u>              | <u>27,424,802</u>    |
| <br>   |                      |                     |                       |                      |
| Less: accumulated depreciation for:                      |                      |                     |                       |                      |
| Project facilities and improvements                      | (6,782,866)          | (191,999)           | -                     | (6,974,865)          |
| Hydro electric facilities                                | (5,945,791)          | (191,607)           | -                     | (6,137,398)          |
| Equipment and vehicles                                   | (3,996,326)          | (193,517)           | -                     | (4,189,843)          |
| Total accumulated depreciation                           | <u>(16,724,983)</u>  | <u>(577,123)</u>    | <u>-</u>              | <u>(17,302,106)</u>  |
| <br>   |                      |                     |                       |                      |
| Total capital assets<br>being depreciated, net           | <u>7,785,847</u>     | <u>2,336,849</u>    | <u>-</u>              | <u>10,122,696</u>    |
| <br>   |                      |                     |                       |                      |
| Total capital assets,<br>net of accumulated depreciation | <u>\$ 11,286,407</u> | <u>\$ 2,447,659</u> | <u>\$ (2,809,300)</u> | <u>\$ 10,924,766</u> |

Title to the Truckee Canal remains vested with the United States government. However, the District is responsible for maintenance and improvements and therefore major improvements are capitalized under property, plant and equipment and amortized over the useful life of the improvement.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

**Note 4. Lease Receivable**

On August 16, 1999 the District entered into a fifty (50) year lease with Sierra Pacific Power Company (SPPC) for the lease of the District's electric business, electric facilities and other property located within the service area, excluding the hydroelectric facilities.

The lease agreement acknowledges the District's equity interest in the above described assets is \$6,500,000 and SPPC's equity interest is \$21,500,000 as of August 16, 1999. SPPC began making annual principal payments to the District in August 1999 in the amount of \$520,000 which increased by \$80,000 in August 2004 with like increases every five years thereafter. At the end of the lease term the District will have two options. The first option is to purchase SPPC's equity interest at the then fair market value. The second option is to allow SPPC to purchase the District's equity interest for a sum of \$16,500,000 due forty-five (45) days from the expiration of the lease. The lease also provides terms for early termination beginning with the tenth (10th) year of the lease.

Scheduled future minimum lease payments as follows:

| <u>August</u>                | <u>Annual Lease<br/>Payments</u> | <u>Aggregate Lease<br/>Payments</u> |
|------------------------------|----------------------------------|-------------------------------------|
| 2024-2028                    | 920,000                          | 4,600,000                           |
| 2029-2033                    | 1,000,000                        | 5,000,000                           |
| 2034-2038                    | 1,080,000                        | 5,400,000                           |
| 2039-2043                    | 1,160,000                        | 5,800,000                           |
| 2044-2048                    | 1,240,000                        | 6,200,000                           |
| Thereafter                   | -                                | -                                   |
| Deferred inflow of resources |                                  | <u>\$ 27,000,000</u>                |

According to the agreement, SPPC does not pay the full balance of interest accruing annually. The interest receivable, noncurrent portion is expected to be paid by SPPC at the end of the agreement in September of 2048.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

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**Note 4. Lease Receivable, Continued**

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The District may terminate the lease after the tenth anniversary (August 16, 2009) and upon conveyance of all ownership interest in the facilities receive a lump sum payment. The required payment to be received if the option to terminate is exercised between the following dates is as follows:

| August 16th | August 15th | Payment       |
|-------------|-------------|---------------|
| 2013        | 2018        | \$ 9,500,000  |
| 2018        | 2023        | \$ 10,500,000 |
| 2023        | 2028        | \$ 11,500,000 |
| 2028        | 2033        | \$ 12,500,000 |
| 2033        | 2038        | \$ 13,500,000 |
| 2038        | 2043        | \$ 14,500,000 |
| 2043        | 2048        | \$ 15,500,000 |
| 2048        | N/A         | \$ 16,500,000 |

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

**Note 5. Long Term Obligations**

The following is a summary of changes in long-term obligations as of June 30, 2024:

|                                     | Balance<br>6/30/2023 | Additions         | Retirements         | Balance<br>6/30/2024 | Current<br>Portion |
|-------------------------------------|----------------------|-------------------|---------------------|----------------------|--------------------|
| <b>Notes Payable</b>                |                      |                   |                     |                      |                    |
| CAT Excavator 2019                  | 96,243               | -                 | (47,385)            | 48,858               | 47,385             |
| <b>Total Notes Payable</b>          | <u>96,243</u>        | <u>-</u>          | <u>(47,385)</u>     | <u>48,858</u>        | <u>47,385</u>      |
| <b>Other Noncurrent Liabilities</b> |                      |                   |                     |                      |                    |
| Contract payable - Dept of Interior | 1,878,821            |                   | (255,941)           | 1,622,880            | 255,940            |
| Accrued Compensated Absences        | 504,115              | 56,095            | (14,799)            | 545,411              | 272,706            |
| Net OPEB Liability                  | 364,026              |                   | (15,129)            | 348,897              |                    |
| Net Pension Liability               | 5,243,652            | 224,159           |                     | 5,467,811            | -                  |
| <br>                                |                      |                   |                     |                      |                    |
| Total long term obligations         | <u>\$ 8,086,857</u>  | <u>\$ 280,254</u> | <u>\$ (333,254)</u> | <u>\$ 8,033,857</u>  | <u>\$ 576,031</u>  |

The following is a detailed listing of long-term obligations as of June 30, 2024:

|   | <u>2024</u>      |
|---|------------------|
| <b>Notes Payable:</b>   |                  |
| Note payable to Caterpillar Financial Services, with annual principal and interest payments until Dec 2024, bearing interest at 3.199%, secured by Cat Excavator. | <u>\$ 48,858</u> |
| Total notes payable   | <u>48,858</u>    |

Continued

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

**Note 5. Long Term Obligations, Continued**

**Contracts Payable:**

Contract payable to the United States Department of the Interior, with annual principal and interest payments of \$302,911 bearing interest at 2.5%, maturing October 2029. In January 2008, the Truckee Canal breached and flooded hundreds of homes. Since that time, the Bureau of reclamation has been completing studies to determine the likelihood of the canal breaching again. Their studies revealed that a fix was needed for the safety of the Fernley community. TCID operates and maintains the Truckee Canal in and near the community. The BOR determined that the best fix would be to line 3.5 miles of the Truckee Canal. This project will be completely paid for by the District. The District entered into a repayment contract in 2017 regarding the environmental impact portion of the project for \$2,779,300 to be paid annually.

|                                     |                            |
|-------------------------------------|----------------------------|
|                                     | <u>1,622,880</u>           |
| <b>Refundable deposits</b>          | 4,197                      |
| <b>Accrued Compensated Absences</b> | 545,411                    |
| <b>Due to the City of Fernley</b>   | 22,000                     |
| <b>Net Pension Liability</b>        | 5,467,811                  |
| <b>Net OPEB Liability</b>           | <u>348,897</u>             |
| Total long-term obligations         | 8,060,054                  |
| Less current portion:               | <u>(576,031)</u>           |
| Net long-term obligations           | <u><u>\$ 7,484,023</u></u> |

The following is a schedule of maturities of notes and contracts payable as of June 30, 2024:

| Period Ending<br>June 30 | Principal           | Interest          | Total               |
|--------------------------|---------------------|-------------------|---------------------|
| 2025                     | \$ 311,197          | \$ 42,181         | \$ 353,378          |
| 2026                     | 268,897             | 34,058            | 302,955             |
| 2027                     | 275,620             | 27,291            | 302,911             |
| 2028                     | 282,510             | 20,401            | 302,911             |
| 2029                     | 289,573             | 13,338            | 302,911             |
| 2030-2035                | 243,941             | 6,099             | 250,040             |
|                          | <u>\$ 1,671,738</u> | <u>\$ 143,368</u> | <u>\$ 1,815,106</u> |

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

**Note 6. Net Position**

The District has three restricted net position reserves in accordance with agreements entered into with the United States Bureau of Reclamation and First Independent Bank.

The District is required to deposit to a conservation account, the greater of 12% of the operations and maintenance charges to water users, or the amount of Subsection (i) revenues paid the District. The district has an account for 50% of the 12% which has to be used for measurement devices that measure a new volume of water and an account for the other 50% of the 12% for other efforts toward conservation.

The District is required to deposit \$100,000 annually into an emergency reserve account until the account reaches \$475,000. The balance at June 30, 2024 was \$188,586. These funds can only be used during periods of special stress caused by damaging droughts, storms, earthquakes, floods, or other emergencies threatening or causing interruption of water service. All withdrawals must have prior written approval from the Bureau and have to be replaced into the fund. For FY24, the district requested to use emergency repair funds for a water seep on the Truckee canal that was threatening a home. The total cost for this repair was \$225,267, and the Bureau granted the request to use emergency funds for this project.

The District imposes an assessment on all lands located within the Newlands Project. At 6/30/2024, the rate was \$6.56 per acre. This assessment revenue is governed by NRS 539.480. The 6/30/2024 balance of the General Fund restricted for construction, reconstruction or maintenance (capital improvements) of the project was \$1,397,455.

| <u>Restricted Net Position</u> | <u>June 30, 2024</u>       |
|--------------------------------|----------------------------|
| New Volume Measurement Fund    | 306,081                    |
| Prior conservation Fund        | 828,211                    |
| Total for Conservation         | <u>1,134,292</u>           |
| Emergency Repairs              | 188,586                    |
| Capital Projects               | 1,397,455                  |
| Total Restricted Funds         | <u><u>\$ 2,720,333</u></u> |

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

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**Note 7. Defined Benefit Pension**

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Plan Description: Truckee-Carson Irrigation District contributes to the Public Employees' Retirement System of the State of Nevada (PERS). PERS administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits Provided: Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010 and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% multiplier and for regular members entering PERS on or after July 1, 2015, there is a 2.25% factor. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - 286.579.

Vesting: Regular members entering PERS prior to January 1, 2010 are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. Regular members entering PERS on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

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**Note 7. Defined Benefit Pension, Continued**

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The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Members become fully vested as to benefits upon completion of five years of service.

Contributions: The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer (EPC). The System's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

The System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal year ended June 30, 2024, the Statutory Employer/employee matching rate 16.75%.

For the fiscal year ended June 30, 2024, the Employer-pay contribution (EPC) rate was 33.50 %.

The District's contributions for the current and three preceding fiscal years, all of which were equal to the required contributions, were as follows:

| Year Ended<br>June 30, | Regular<br>Fund |
|------------------------|-----------------|
| 2022                   | \$ 319,468      |
| 2023                   | 346,784         |
| 2024                   | 396,947         |

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

**Note 7. Defined Benefit Pension, Continued**

PERS Investment Policy: PERS’ policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2023:

| Asset Class           | Target Allocation | Long-term Geometric Expected Real Rate of Return* |
|-----------------------|-------------------|---|
| Domestic equity       | 42%               | 5.50%   |
| International equity  | 18%               | 5.50%   |
| Domestic fixed income | 28%               | 0.75%   |
| Private markets       | 12%               | 6.65%   |

As of June 30, 2023, PERS’ long-term inflation assumption was 2.50%.

Net Pension Liability: At June 30, 2024, the District reported a liability in the amount of \$5,467,811 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers. At June 30, 2023, the District’s proportion was 0.02996 percent, which was an increase of 0.00092 from its proportion measured as of June 30, 2022 of 0.02904 percent.

PERS Investment Policy: PERS’ policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

Pension Liability Discount Rate Sensitivity: The following presents the net pension liability of Truckee-Carson Irrigation District as of June 30, 2023, calculated using the discount rate of 7.25%, as well as what Truckee-Carson Irrigation District’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate:

|   | 1% Decrease<br>(6.25%) | Discount Rate<br>(7.25%) | 1% Increase<br>(8.25%) |
|---|------------------------|--------------------------|------------------------|
| Proportionate share of<br>Net pension (asset) / liability | \$ 8,508,717           | \$ 5,467,811             | \$ 2,958,171           |

Pension Plan Fiduciary Net Position: Detailed information about the pension plan’s fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website. <https://www.nvpers.org>.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

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**Note 7. Defined Benefit Pension, Continued**

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Actuarial Assumptions: Truckee-Carson Irrigation District's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                            |   |
|----------------------------|---|
| Inflation Rate             | 2.50%   |
| Payroll Growth             | 7.25% including inflation   |
| Productivity Pay Increase  | 0.50%   |
| Projected Salary Increases | 4.20% to 9.10%, depending on service                                |
|                            | Rates include inflation and productivity increases                  |
| Other Assumptions          | Same as those used in the June 30, 2023 funding actuarial valuation |

Actuarial assumptions used in the June 30, 2023 valuation were based on the results of the experience study for the period July 1, 2016 through June 30, 2020.

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund the benefits for all plan members and their beneficiaries are included, except the projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2023.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

**Note 7. Defined Benefit Pension, Continued**

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:  
For the year ended June 30, 2024, Truckee-Carson Irrigation District recognized net pension expense of \$752,996. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred Inflows<br>of Resources |
|--|--------------------------------------|----------------------------------|
| Differences between expected and actual experience   | \$ 712,696                           | \$ -                             |
| Changes in assumptions   | 512,438                              | -                                |
| Net difference between projected and actual earnings on<br>pension plan investments                    | -                                    | 51,179                           |
| Changes in proportion and differences between<br>contributions and proportional share of contributions | 208,832                              | 211,762                          |
| Subtotal   | 1,433,966                            | 262,941                          |
| Contributions subsequent to the measurement date   | 396,947                              | -                                |
| Total  | \$ 1,830,913                         | \$ 262,941                       |

The \$396,947 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) is 5.63 years.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

**Note 7. Defined Benefit Pension, Continued**

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>June 30 | Deferred<br>Outflows<br>(Inflows) of<br>Resources |
|------------------------|---|
| 2025                   | \$ 190,272  |
| 2026                   | 167,594   |
| 2027                   | 709,706   |
| 2028                   | 77,634  |
| 2029                   | 25,819  |
| Thereafter             | -   |
|                        | \$ 1,171,025                                      |

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts will be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members. Because these deferred amounts and their amortization are specific to individual employers and offset on a collective basis, they are not presented above.

**Additional Information:** Additional information is located in the PERS Comprehensive Annual Financial Report (CAFR) available on the PERS website at [www.nvpers.org](http://www.nvpers.org) under Quick Links – Publications.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

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**Note 8. Postemployment Retirement Health Insurance Benefits**

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The District provides other postemployment benefits (OPEB) for eligible retired employees through either participation in the District's health insurance program or the Nevada Public Employees' Benefit Plan (PEBP) under NRS 287.023.

Plan Descriptions: The District's defined benefit OPEB plan, Truckee-Carson Irrigation District Employee Health Benefits Plan (TCIDEHBP), provides OPEB for all eligible employees on retirement from the District. Additionally, the District contributes to the defined OPEB plan, Public Employees' Benefits Plan (PEBP).

TCIDEHBP is a single-employer defined benefit OPEB plan administered by the District. In accordance with Nevada Revised Statute 287.023 and amended through negotiations between the District and the respective associations, TCIDEHBP provides postemployment benefits to full-time employees on retirement. Nevada Revised Statute 288.150 assigns the authority to establish benefit provisions to the Board of Directors. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75; no separate financial reports are issued. NRS requires that agencies must provide coverage to retirees at the same rates as active employees. Employees who retire from the District are eligible to continue their medical, dental, and vision coverage by paying 100% of the premium expense. Medical premiums vary based on each member's age and, as such, are not expected to result in an implicit subsidy liability if retirees elect to continue the coverage. Dental and vision claims are not expected to be materially different for active and retirees. Accordingly, we believe that no OPEB liability exists under this plan or that it is insignificant.

PEBP is an agent multiple-employer defined benefit OPEB plan administered by a nine-member governing board. Nevada Revised Statute 287.023 allows certain retired employees of governmental entities within the State of Nevada to join the State's Public Employee Benefits Program. Nevada Revised Statute 287.023 sunsetted the option to join PEBP for District employees who retired from the District after September 1, 2008. Eligibility and subsidy requirements are governed by statutes of the State of Nevada and can only be amended through legislation. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75; no separate financial reports are issued.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

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**Note 8. Postemployment Retirement Health Insurance Benefits, Continued**

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Funding Policy: TCIDEHBP provides medical, vision and dental for eligible retirees and their dependents. Employees retiring from the District under PERS are allowed to continue participation in the District's group health insurance program (medical, dental and vision). Retirees are responsible for the payment of their premiums, as well as, premium for eligible dependents.

PEBP provides medical, prescription, vision, life and accident insurance, and dental for retirees. Retirees can choose between a self-funded preferred provider organization (PPO) and a health maintenance organization (HMO) plan. Retirees are responsible for payment of unsubsidized premiums. The District is required to provide a subsidy for their retirees who have elected to join PEBP. Contribution requirements for plan members and the participating employers are assessed by the PEBP Board annually. The contributions required for PEBP subsidies depend on the date of retirement and years of PERS service former employees earned in total and while working for the District. The subsidy ranges from a minimum of \$8 to a maximum of \$983 per month. Subsidies for retiree premiums participating in the PEBP are paid directly to the State when due. The District's obligation for subsidies is limited to payment of the statutorily required contribution. The statutes were revised with an effective date of November 30, 2008, to create new participation limitations so that only active members of PEBP can elect coverage after retirement. Based on the statute revision, former District employees and retirees must have retired and joined PEBP by September 1, 2008 to elect PEBP membership. Consequently, no employees retiring from the District on or after September 1, 2008 will be eligible to participate in the PEBP plan as a retiree at the District's expense.

The Nevada Legislature changes the benefit subsidies from time to time. The monthly subsidy continues to be based on years of credited service under Nevada PERS, though the level differs for pre-Medicare and Medicare eligible retirees. The subsidy ends at the earlier of the retiree's death or the date he or she discontinues coverage.

There are exceptions to the amounts shown below:

- (a) Participants who retired before January 1, 1994 receive the 15 year subsidy, regardless of their years of covered service and
- (b) Participants do not receive a subsidy if they were hired by their last employer on or after January 1, 2010, retired with less than 15 years of service and were not disabled.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

**Note 8. Postemployment Retirement Health Insurance Benefits, Continued**

Agency subsidy for PEBP coverage for non-state pre-medicare retirees: The subsidy provided to pre-Medicare retirees varies based on the type of plan selected (PPO or HMO) and by the level of coverage taken (e.g., single, two party, family, etc.). The chart below shows our understanding of monthly amounts payable beginning July 2020 for those with 15 years of PERS service. Actual pre-Medicare subsidies for July 2020, as invoiced to the District by individual, were used for the valuation.

| Coverage Level           | PPO CDHP     |                | PPO Low Deductible |                | Statewide EPO/HMO |                |
|--------------------------|--------------|----------------|--------------------|----------------|-------------------|----------------|
|                          | Base Subsidy | SB 552 Subsidy | Base Subsidy       | SB 552 Subsidy | Base Subsidy      | SB 552 Subsidy |
| 15 Years of PERS Service |              |                |                    |                |                   |                |
| Retiree Only             | \$ 688.61    |                | \$ 729.92          | \$ -           | \$ 622.70         | \$ -           |
| Retiree + Spouse         | \$ 1,259.95  |                | \$ 1,342.52        | \$ -           | \$ 1,128.09       | \$ -           |
| Retiree + Child(ren)     | \$ 902.84    |                | \$ 959.64          | \$ -           | \$ 812.19         | \$ -           |
| Retiree + Family         | \$ 1,474.13  |                | \$ 1,572.29        | \$ -           | \$ 1,317.59       | \$ -           |

HRA Contributions for non-State Medicare Retirees covered by the Exchange:

Amounts paid for Medicare eligible retirees covered by the Exchange do not vary by type of plan or coverage level; they vary only by years of PERS membership service.

On July 1, 2020, the monthly subsidy for retirees on the Medicare Exchange was \$13 per month per year of PERS service providing a maximum benefit payable of \$260 per month.

Employee Covered by Benefit Terms: At June 30, 2022 the following employees were covered by the benefit terms:

|                  | PEBP      |
|------------------|-----------|
| Active employees | -         |
| Retirees         | 12        |
| <b>Total</b>     | <b>12</b> |

Total OPEB Liability: The District's total OPEB liability of \$348,897 was measured as of June 30, 2023 as determined by and actuarial valuation as of that date.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

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**Note 8. Postemployment Retirement Health Insurance Benefits, Continued**

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Assumptions and Other Inputs: The ultimate cost of an employee benefit plan is the value of all benefits and other expenses of the plan over its lifetime. These payments depend only on the terms of the plan and the administrative arrangements adopted. The actuarial assumptions are used to estimate the cost of these benefits; the funding method spreads the expected costs on a level basis over the life of the plan.

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs for TCIDEHBP and PEBP, applied to all periods included in the measurement, unless otherwise specified:

|                  |  |
|------------------|--|
| Inflation rate   | 2.5%   |
| Salary increases | N/A – no active employee in this plan                  |
| Discount rate    | 4.13% as of June 30, 2023<br>4.09% as of June 30, 2022 |
| Funding method   | Entry age normal cost, level percent of pay            |

The discount rate for TCIDEHBP and PEBP was based on the S & P General Obligation Municipal Bond 20 Year High Grade Index.

The basic mortality rates used in this valuation are based on the most recently published report of the Nevada Public Employees Retirement System, dated June 2024, except for a different basis used to project future mortality improvements.

Males: Pub-2010 General Healthy Retiree amount-Weighted Ave-Median Mortality Table with rates increased by 30%.

Females: Pub-2010 General Healthy Retiree amount-Weighted Ave-Median Mortality Table with rates increased by 15%.

MacLeod Watts Scale 2023 applied generationally basis from 2010 forward.

The discount rate was changed from 4.09% as of June 30, 2022 to 4.13% as of June 30, 2023, based on the published change in return for the applicable municipal bond index.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

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**Note 8. Postemployment Retirement Health Insurance Benefits, Continued**

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Changes in the Total OPEB Liability –

|                            | Total OPEB<br>liability<br><u>(a)</u> | fiduciary<br>net position<br><u>(b)</u> | Net OPEB<br>(asset) liability<br><u>(a) - (b)</u> |
|----------------------------|---------------------------------------|---|---|
| Balances at June 30, 2022  | \$ 364,026                            | \$ -                                    | \$ 364,026  |
| Changes during the period: |                                       |   |   |
| Service cost               | -                                     | -                                       | -   |
| Interest cost              | 14,308                                | -                                       | 14,308  |
| Expected investment income | -                                     | -                                       | -   |
| Employer contributions     | -                                     | 28,387                                  | (28,387)  |
| Changes of benefit terms   | -                                     | -                                       | -   |
| Benefit payments           | (28,387)                              | (28,387)                                | -   |
| Assumption changes         | (1,050)                               | -                                       | (1,050)   |
| Plan experience            | -                                     | -                                       | -   |
| Investment experience      | -                                     | -                                       | -   |
| Net changes                | <u>(15,129)</u>                       | <u>-</u>                                | <u>(15,129)</u>                                   |
| Balances at June 30, 2023  | <u>\$ 348,897</u>                     | <u>\$ -</u>                             | <u>\$ 348,897</u>                                 |

Changes in Assumptions: PEHP changes in assumptions and other inputs reflect a change in discount rate from 4.09% to 4.13%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the District, as well as what the District's Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage lower (3.09%) or 1-percentage-point higher (5.09%) than the current discount rate:

|                           | <u>1% Decrease</u> | <u>Current 4.13%</u> | <u>1% Increase</u> |
|---------------------------|--------------------|----------------------|--------------------|
| Net OPEB liability - PEHP | \$ 380,438         | \$ 348,897           | \$ 321,464         |

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

**Note 8. Postemployment Retirement Health Insurance Benefits, Continued**

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage lower or 1-percentage-point higher than the current healthcare cost trend rates:

|                           | <u>1% Decrease</u> | <u>Current Trend</u> | <u>1% Increase</u> |
|---------------------------|--------------------|----------------------|--------------------|
| Net OPEB liability - PEBP | \$ 321,898         | \$ 348,897           | \$ 379,397         |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:  
For the year ended June 30, 2024, the District recognized OPEB expense (income) of \$13,258:

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|--|---|--|
| Contributions subsequent to the measurement date | \$ 27,853                                     | \$ -   |
| Total  | <u>\$ 27,853</u>                              | <u>\$ -</u>                                  |

The \$27,853 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2024.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

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**Note 9. Commitments and Contingencies**

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**Truckee Canal Commitment**

On April 10, 2018 the District entered into an agreement with the Bureau of Reclamation for repayment of the pre-construction costs associated with the extraordinary maintenance on the Truckee Canal. The repayment began in October of 2020 with annual payments being made by TCID in the amount of \$302,911 until October 2029.

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**Note 10. Subsequent Events**

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No significant subsequent events to report.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**Public Employees' Retirement System of Nevada**  
**June 30, 2024**  
**Last 10 Fiscal Years**

|  | Reporting Fiscal Year<br>(Measurement Date) |                |                |                |                |                |                |                |                |                |
|--|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | 2024<br>(2023)                              | 2023<br>(2022) | 2022<br>(2021) | 2021<br>(2020) | 2020<br>(2019) | 2019<br>(2018) | 2018<br>(2017) | 2017<br>(2016) | 2016<br>(2015) | 2015<br>(2014) |
| Proportion of the net pension liability (asset)  | 0.029960%                                   | 0.029040%      | 0.031150%      | 0.030150%      | 0.030980%      | 0.029940%      | 0.027260%      | 0.026540%      | 0.027490%      | 0.0282900%     |
| Proportionate share of the net pension liability (asset)   | \$ 5,467,811                                | \$ 5,243,652   | \$ 2,840,931   | \$ 4,198,874   | \$ 4,223,960   | \$ 4,082,548   | \$ 3,625,943   | \$ 3,572,180   | \$ 3,149,689   | \$ 2,947,950   |
| Covered employee payroll   | \$ 2,331,321                                | \$ 2,147,684   | \$ 2,192,047   | \$ 2,148,116   | \$ 2,130,007   | \$ 1,983,664   | \$ 1,747,936   | \$ 2,007,771   | \$ 1,936,971   | \$ 1,663,829   |
| Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 234.54%                                     | 244.15%        | 129.60%        | 195.47%        | 198.31%        | 205.81%        | 207.44%        | 177.92%        | 162.61%        | 177.18%        |
| Plan fiduciary net position as a percentage of the total pension liability                               | 76.2%                                       | 75.1%          | 86.5%          | 77.0%          | 76.5%          | 75.2%          | 74.4%          | 72.2%          | 75.1%          | 76.30%         |

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Schedule of Contributions**  
**Public Employees' Retirement System of Nevada**  
**June 30, 2024**  
**Last 10 Fiscal Years**

|  | Reporting Fiscal Year |              |              |              |              |              |              |              |              |              |
|--|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | 2024                  | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         |
| Contractually required contribution                                  | \$ 396,947            | \$ 346,784   | \$ 319,468   | \$ 326,067   | \$ 314,162   | \$ 298,201   | \$ 277,713   | \$ 244,711   | \$ 281,088   | \$ 249,385   |
| Contributions in relation to the contractually required contribution | \$ (396,947)          | \$ (346,784) | \$ (319,468) | \$ (326,067) | \$ (314,162) | \$ (298,201) | \$ (277,713) | \$ (244,711) | \$ (281,088) | \$ (249,385) |
| Contribution deficiency (excess)                                     | <u>\$ -</u>           | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| Covered employee payroll   | \$ 2,369,830          | \$ 2,331,321 | \$ 2,147,684 | \$ 2,192,047 | \$ 2,148,116 | \$ 2,130,007 | \$ 1,983,664 | \$ 1,747,936 | \$ 2,007,771 | \$ 1,936,971 |
| Contributions as a percentage of covered-employee payroll            | 16.75%                | 14.88%       | 14.88%       | 14.88%       | 14.63%       | 14.00%       | 14.00%       | 14.00%       | 14.00%       | 12.88%       |

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Required Supplementary Information**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**PEBP**  
**June 30, 2024**  
**Last 10 Fiscal Years**

| Reporting year<br>As of year end                      | Reporting Fiscal Year<br>(Measurement Date) |            |            |            |            |            |            |
|---|---|------------|------------|------------|------------|------------|------------|
|   | 2024  | 2023       | 2022       | 2021       | 2020       | 2019       | 2018       |
|   | 2023  | 2022       | 2021       | 2020       | 2019       | 2018       | 2017       |
| Total OPEB liability                                  |   |            |            |            |            |            |            |
| Service cost  | \$ -  | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Interest cost   | 14,308                                      | 11,069     | 13,351     | 19,255     | 20,820     | 21,558     | 20,164     |
| Changes of benefit terms                              | -   | -          | -          | -          | -          | -          | -          |
| Benefit payments                                      | (28,387)                                    | (31,777)   | (32,083)   | (47,268)   | (44,660)   | (51,401)   | (40,622)   |
| Assumption changes                                    | (1,050)                                     | (90,221)   | 24,432     | (71,765)   | 15,533     | 106,791    | (37,771)   |
| Plan experience                                       | -   | (48,697)   | -          | (94,929)   | -          | (70,404)   | -          |
| Net change in total OPEB liability                    | (15,129)                                    | (159,626)  | 5,700      | (194,707)  | (8,307)    | 6,544      | (58,229)   |
| Total OPEB liability - beginning                      | 364,026                                     | 523,652    | 517,952    | 712,689    | 720,996    | 714,452    | 772,681    |
| Total OPEB liability - ending (a)                     | \$ 348,897                                  | \$ 364,026 | \$ 523,652 | \$ 517,982 | \$ 712,689 | \$ 720,996 | \$ 714,452 |
| Plan fiduciary net position                           |   |            |            |            |            |            |            |
| Employer contributions                                | \$ 28,387                                   | \$ 31,777  | \$ 32,083  | \$ 47,268  | \$ 44,660  | \$ 51,401  | \$ 40,622  |
| Net investment income                                 | -   | -          | -          | -          | -          | -          | -          |
| Benefit payments                                      | (28,387)                                    | (31,777)   | (32,083)   | (47,268)   | (44,660)   | (51,401)   | (40,622)   |
| Plan fiduciary net position - beginning               | -   | -          | -          | -          | -          | -          | -          |
| Plan fiduciary net position - ending (b)              | \$ -  | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Net OPEB liability - ending (a) - (b)                 | \$ 348,897                                  | \$ 364,026 | \$ 523,652 | \$ 517,982 | \$ 712,689 | \$ 720,996 | \$ 714,452 |
| Covered employee payroll                              | N/A*  | N/A*       | N/A*       | N/A*       | N/A*       | N/A*       | N/A*       |
| Net OPEB liability as a percentage of covered payroll | 0.00%                                       | 0.00%      | 0.00%      | 0.00%      | 0.00%      | 0.00%      | 0.00%      |

Note: The District implemented GASB 75 in fiscal year 2018. Prior year information is not available.

\* The Public Employee Benefit Program is a closed plan and, therefore, there is no covered payroll.

**TRUCKEE-CARSON IRRIGATION DISTRICT**  
**Notes to Required Supplementary Information**  
**June 30, 2024**

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**NOTE 1. OPEB – Factors that Affect Trends**

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There are no factors (e.g. changes in benefit terms, the use of different assumptions, changes in investment policies) that significantly affect trends in the amounts reported in the required schedules.

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**NOTE 2. OPEB – Plan Assets**

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There are no assets accumulated in a trust that meet the criteria in GASB 75 (paragraph 4) to pay related benefits.