

Staff Report

TO: Board of Directors

FROM: Jennifer Hanson, General Manager
Sandra Dunlap, Director of Finance

DATE: June 26, 2024

SUBJECT: Annual Comprehensive Financial Report (ACFR) - 2023

FINANCE

RECOMMENDATION:

Receive an informational presentation of the District's 2023 Annual Comprehensive Financial Report (ACFR) and authorize the General Manager to publish the report.

BACKGROUND:

Nevada Irrigation District is required by State statute, Government Code Section 26909(a)(1), to publish within twelve months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) established by the Governmental Accounting Standards Board (GASB) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Federal granting authorities, rating agencies and the District's bond debt covenants also require an annual audit of the financial statements of the District.

Other compliance reporting obligations are reliant upon the District's annual audit. The State Controller's Office (SCO) requires the filing of its Financial Transactions Report for this audit year by January 31, 2025. The District's Debt Covenant agreements requires the filing of a Continuing Disclosure Report (CDAR) that includes audited financials no later than 270 days after its fiscal year. The CDAR report has been timely filed with a draft financial audit. Upon release of the final

draft of the audit by the Board of Directors, the CDAR report will be updated to include the final published version of the audit.

The District contracted with the certified public accounting firm Mann, Urrutia, and Nelson CPA's & Associates, LLP, (MUN) to complete the annual audit. The contract covers audit years 2021-2025.

This year, the ACFR earned an unqualified (or "clean") opinion from its independent auditing firm, MUN, meaning the financial statements are presented fairly, in all material respects. This is the highest standard of opinion that can be earned on a set of financial statements and the District has successfully achieved this opinion for several years.

There were no significant deficiencies found in 2023.

As an integral part of the annual audit, the auditing firm also considers the Districts' internal controls over financial reporting as a basis for designing audit procedures for the purpose of expressing an opinion on the financial statements. The results of that consideration disclose deficiencies and/or recommendations for control improvements. These improvement recommendations are opportunities for the District to strengthen controls and operating efficiencies.

This year's report includes two recommendations, one of which was repeated from last year. The District has resolved the issue that pertains to the way in which the bank reconciliations were completed. The second issue, from last year, had to do with cash receipts primarily from recreation. It was partially resolved, however, the district is actively working on implementing a solution to completely resolve the recommendation. For a more detailed listing of the recommendations and Management's responses to these, please refer to the Management Letter.

The annual audits are an important tool for management and the public to view the financial condition and activities of the District and the management of its financial resources. Significant highlights of this year include the following:

- Total net position increased by \$16.8 million in 2023.
- Total revenues of \$81.4 million surpassed total expenses of \$65.8 million by \$15.6 million, being driven by increases in both operating and nonoperating revenue despite increases in operating expenses.
- The District saw decreased water sales by \$(.4) million and other revenue of \$(0.7) million due to drought restrictions. The District saw increased investment income of \$11.8 million resulting from positive changes in market conditions, along with an increase in taxes and assessments of \$0.8 million generating an increase in total revenue of \$12.3 million.

- The District did incur an increase in expenses of \$5.1 million with an increase in operating expenses primarily due to increased long-term liabilities for both pension and OPEB based on valuations, coupled with a slight decrease in nonoperating expenses. This year's capacity fees and capital contributions were healthy, contributing \$1.2 million, a decrease over the prior year of \$(0.3) million, to arrive at the change in net position of \$16.8 million.
- Operating expenses increased in 2023 overall by \$5.1 million resulting from two primary factors: salaries were adjusted to market value coupled with a cost-of-living increase in January 2023; and an increase in expenses was realized for both pension and OPEB based on updated annual valuations. New investments in infrastructure drove the increase in depreciation for several Water and Electric projects completed in 2023. The District received \$1.6 million in capacity fee charges pursuant to Government Code 66013 report, which is \$181 thousand more received than the prior year.

Additional financial highlights and detailed analysis can be found in the report titled Management's Discussion and Analysis at the beginning of the financial statements.

The Finance department considers it a privilege to present this ACFR to the Board and offers sincere gratitude to all departments and the auditors.

STRATEGIC GOAL:

This item is in alignment with Strategic Priority No. 4 of the District's Strategic Plan, as it supports a sustainable financial model and proactive management of the District's financial resources to ensure the long-term delivery of water.

BUDGETARY IMPACT: N/A

/JH, SD

Attachments: (5)

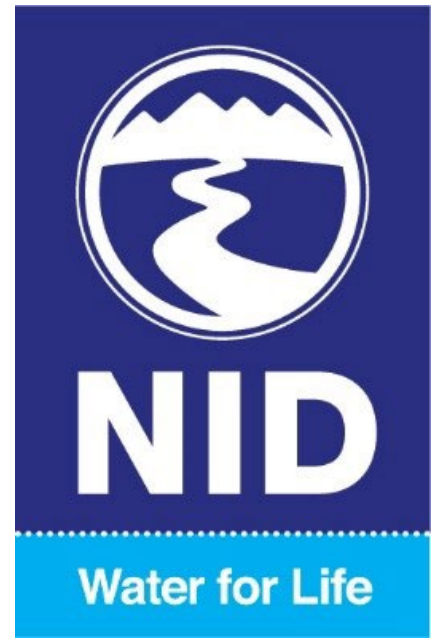
- Audited Comprehensive Financial Report (ACFR) for the year ending December 31, 2023
- Management Letter
- Compliance Report
- Required Communication
- PowerPoint Presentation

NEVADA IRRIGATION DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2023

1036 West Main Street
Grass Valley, California



BOWMAN RESERVOIR - SOUTH ARCH DAM



NEVADA IRRIGATION DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended
December 31, 2023

Prepared by the Finance Department

1036 West Main Street
Grass Valley, California
www.nidwater.com

**NEVADA IRRIGATION DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
DECEMBER 31, 2023**

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| INTRODUCTORY SECTION | |
| Letter of Transmittal | i - vii |
| Organizational Chart | viii |
| List of Elected and Appointed Officials | ix |
| FINANCIAL SECTION | |
| Independent Auditor's Report | 1 - 3 |
| Management's Discussion and Analysis | 4 - 9 |
| Basic Financial Statements: | |
| Statement of Net Position | 10 - 12 |
| Statement of Revenues, Expenses, and Changes in Net Position | 13 |
| Statement of Cash Flows | 14 - 16 |
| Statement of Fiduciary Net Position | 17 |
| Statement of Changes in Fiduciary Net Position | 18 |
| Notes to the Basic Financial Statements | 19 - 44 |
| Required Supplementary Information: | |
| Schedule of Changes in the Net Pension Liability and Related Ratios | 45 - 47 |
| Schedule of Contributions to the Pension Plan | 48 - 49 |
| Schedule of Changes in the Net OPEB Liability and Related Ratios | 50 |
| Schedule of Contributions to the OPEB Plan | 51 |
| Supplementary Information | |
| Capacity Fee Schedule | 52 |
| STATISTICAL SECTION | |
| Narrative Summary | 53 |
| Financial Trend Information | |
| Table 1: Net Position by Component | 54 |
| Table 2: Changes in Net Position | 55 |

**NEVADA IRRIGATION DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
DECEMBER 31, 2023**

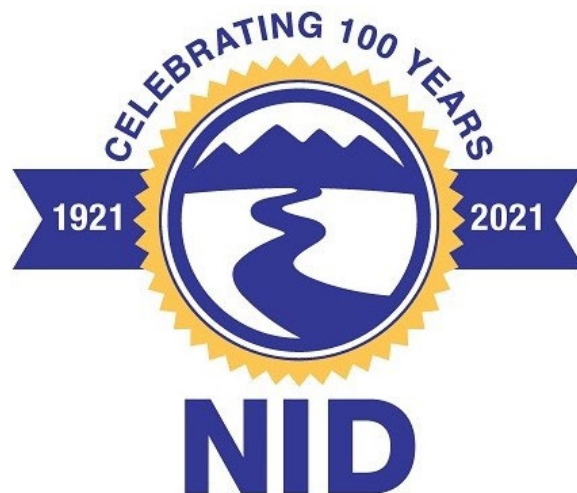
TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| STATISTICAL SECTION (CONTINUED) | |
| Revenue Capacity | |
| Table 3: Treated Water Rates and Connection Fees | 56 |
| Table 4: Hydroelectric Rates, Production and Sales | 57 |
| Table 5: Recreation Sales and Facilities | 58 |
| Table 6: Raw Water Rates and Connection Fees | 59 |
| Table 7: Water Sales and Production by Type | 60 |
| Table 8: Ten Largest Water Customers | 61 |
| Table 9: Principal Property Taxpayers | 62 |
| Debt Capacity | |
| Table 10: Ratios of Outstanding Debt by Type | 63 |
| Table 11: Computation of Direct and Overlapping Bonded Debt | 64 |
| Table 12: Ratio of Annual Debt Service Expenses for All Debt to Total General Expenses | 65 |
| Table 13: Debt Service Coverage | 66 |
| Demographic and Economic Information | |
| Table 14: Labor Force and Employment for Counties Served (Nevada & Placer) | 67 |
| Table 15: Demographic and Economic Statistics | 68 |
| Operating Information | |
| Table 16: Water System Capital Asset and Operating Indicators | 69 |
| Table 17: Full-Time Equivalents | 70 |



Forest thinning for fire safety

INTRODUCTORY SECTION





Nevada Irrigation District

June 26, 2024

To the Honorable Board of Directors of Nevada Irrigation District:

The Nevada Irrigation District (District) is required by State statute to publish, within twelve months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) established by the Governmental Accounting Standards Board (GASB) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we are pleased to present the initial Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2023. The information presented in this ACFR provides financial information with all the disclosures necessary to enable the District's customers, investment community, and public to assess the District's financial condition.

This report contains management's representations concerning the finances of the District. Management is responsible for completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework designed to protect the District's assets from loss, theft, or misuse while compiling sufficient, reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the District's comprehensive framework of internal controls provides reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Mann, Urrutia, Nelson CPAs & Associates, LLP, a firm of licensed certified public accountants, contracted with the District and has audited the District's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended December 31, 2023 are free from material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended December 31, 2023 are in conformity with GAAP. The independent auditor's report is the first component located in the financial section of this report.

GASB requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter and MD&A complement the readers' understanding. The District's MD&A is located immediately following the independent auditor's report.

The ACFR contains Introductory, Financial, Required Supplementary Information, Supplementary Information, and Statistical sections. The Introductory section includes this transmittal letter, a list of principal officials and the District's organizational chart. The Financial section includes the Independent Auditor's Report on the District's financial statements, MD&A, December 31, 2023 basic financial statements, including the Statement of Net Position,

Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, Statement of Fiduciary Net Position and Notes to the Basic Financial Statements. The Required Supplementary Information contains information on the District's pension and other postemployment benefit plans. Supplementary information consists of the Capacity Fee Report. The financial statements are prepared in accordance with GAAP. The Statistical section summarizes selected, unaudited, general financial and operational information of the District.

District Profile

History

On March 15, 1921, local organizers presented petitions carrying 800 signatures of irrigation district supporters to the Nevada County Board of Supervisors. During a public election on August 5, 1921, voters recommended formation of the district by a margin of 536-163. Nevada County Supervisors authorized the new district and 10 days following the election, on August 15, 1921, the District officially formed. The District's first board meeting occurred that day in Grass Valley's Bret Harte Hotel.

At its formation, the District included 202,000 acres in Nevada County. Five years later, in 1926, residents of Placer County chose to join the District adding another 66,500 acres. Today, the District includes more than 287,000 acres. Following its formation, the District achieved rapid progress in laying the groundwork for the new public irrigation system. During the 1920s, many important water rights were obtained, key water rights the district retains to this day. The acquisition of land to store and deliver water was a very important step in the District's development.

The District began to deliver irrigation water to local farms in 1927. At that time, irrigation water costs about 10 cents per day. By the late 1950s and early 1960s it had become apparent that the future would bring more demand for water in the District's service areas. Demand for District water was beginning to transition from canal water to piped and treated drinking water. At the same time, California was embracing development of hydroelectric power to meet the state's growing energy needs.

District leaders once again took their campaign to the electorate and in a 1962 election, 97 percent of District voters supported a \$65 million bond issue to construct the Yuba-Bear Hydroelectric Power Project. The major project completed from 1963-66, remains a very important milestone in District history. It brought not only power generation capability, but also new reservoirs and canal systems and most importantly, created approximately 145,000 acre-feet of additional water storage for District residents.

No longer would foothill reservoirs run dry in the long hot summers. Today, as the District has grown and matured into a multi-faceted water, power, and recreation agency, the District continues to take great pride in its Gold Rush roots and important place in California water history.

Mission Statement

The District will provide a dependable, high-quality water supply for the communities we serve.

Water Operation

The District's water originates as snow melt found in 70,000 acres of high elevation mountain watershed in the Sierra Nevada Mountains. The water supplied to District customers originates on the upper reaches of the Middle Yuba River, South Yuba River, Bear River, Canyon Creek, Deer Creek and several tributaries. Water from the mountain snowpack flows into nine major reservoirs in the District's mountain division, then into three foothill reservoirs on a final path to District customers through an extensive water conveyance system of pipes and open ditch canals.

From these mountain division reservoirs, the District water flows through the Bowman-Spaulling Canal via Fuller

Lake to PG&E's Lake Spaulding. It is then routed either down the South Yuba Canal to Upper Deer Creek, Scotts Flat and the Nevada City-Grass Valley area, or down the PG&E Drum System along the Bear River where the water is used to generate power before supplying District customers in southern Nevada County and Placer County. The District holds valuable water rights to these water supplies and occasionally purchases water from PG&E through contract.

The highest elevation on the District's mountain watershed is the peak of 8,373-foot English Mountain, which rises east of Bowman Reservoir. The District's highest reservoir is French Lake at 6,835 feet. The District's lowest elevation water service is located about 100 miles to the southwest, at 150 feet above sea level, south of Lincoln in Placer County.

The District's highest dam is the rock fill-earth core dam at Rollins Reservoir, built in 1965 and standing 242 feet tall. The Jackson Meadows dam (1965) is second highest at 195 feet, Scotts Flat dam (1965) is 175 feet, and the Bowman South Arch dam (1925) is 171 feet high. French Dam, constructed in 1858-59, is the District's oldest dam still in use. Other dams that originated in the 1800s include the Bowman Rockfill Dam (1872), and Faucherie, Sawmill and Jackson, all constructed prior to 1880. In the lower division, Van Giesen Dam at Combie Reservoir is the oldest, built in 1928.

With precipitation data that dates to the 1800s, the District is a foremost source for regional weather information. The District has been keeping weather records for Bowman Reservoir (elev. 5,563 ft.) since 1929. The 69.2-inch annual average precipitation at Bowman compares to an annual average of 56 inches at 2,700 feet near Nevada City and 52 inches at 2,400 feet in Grass Valley. Annual precipitation is measured for the 12-month period beginning July 1 and ending June 30. The District is a participant in the California Cooperative Snow Survey Project. District snow surveyors conduct snow surveys regularly during the winter and spring months. Data compiled in the snow surveys predicts water availability locally and statewide.

Irrigation Water

The District operates a network of more than 475 miles of canals and 411 miles of pipelines to transport water to its agricultural customer base. These distribution facilities supply irrigation water to about 5,200 customers who receive water through individual metered service outlets. A large majority of agricultural purchases occur during the summer irrigation season of April 15 through October 14 and provide the supplies to sustain a large variety of agricultural crops including but not limited to irrigated pasture, vineyards, orchards, and family gardens. District water supplies are integral in sustaining a robust multi-million-dollar agricultural industry in Nevada, Placer, and Yuba counties. The District's water distribution network is also pivotal in providing the water supply needs for the District's six domestic water treatment plants and raw water supply to the City of Grass Valley, Nevada City, and a small portion of the City of Lincoln.

Domestic Water

The District operates and maintains six domestic drinking water treatment facilities with a total treatment capacity of 41.64 million gallons per day (MGD). The annual result is the production of approximately 2.8 billion gallons of water to approximately 19,800 customers. All water supplied met or exceeded state and federal regulations for potable drinking water. These facilities include the following:

- Elizabeth George Water Treatment Plant with a capacity of 18 MGD to supply the unincorporated areas of Nevada City and Cascade Shores area.
- Loma Rica Water Treatment Plant with a capacity of 8.3 MGD to supply the unincorporated areas of Grass Valley and the Alta Sierra area.
- North Auburn Water Treatment Plant with a capacity of 6 MGD to serve the North Auburn area
- Lake of the Pines Water Treatment Plant with a capacity of 5 MGD to serve the Lake of the Pines and Dark Horse subdivisions.

- Lake Wildwood Water Treatment Plant with a capacity of 4 MGD to serve the Lake Wildwood and Penn Valley subdivisions.
- Smartsville Water Treatment Plant with a capacity of 0.34 MGD to serve the town of Smartsville.

Water Efficiency

The District is committed to conservation and encourages wise use of water. Conservation and water use efficiency is important to preserving our precious water resources. To that end, the District endeavors to provide education and support to customers to achieve the goal of a 20% reduction in water use from 2020 levels. Water fulfills drinking, household, agricultural, safety, property preservation, and environmental purposes.

Master Gardeners and the District cooperate to demonstrate sustainable landscape techniques for the home gardening public. The District and the University of California signed an agreement to establish a demonstration garden in March 1991. The District installed water lines and electricity for irrigation timers. Master Gardeners designed and planted an herb garden, vegetable beds, and fruit trees. Master Gardeners plan, install and maintain the garden.

Hydroelectric Operation

The District is a leader among Northern California water agencies in the production of clean, renewable hydroelectric energy. Revenues from hydroelectricity are very important in the maintenance and operation of the District's extensive water distribution system. The District has eight power plants that generate enough electricity to supply the equivalent of more than 60,000 homes and one solar array producing 80 kilowatt hours. The District has a hydroelectric generation capacity of 82.2 megawatts, produces an average 241 million kilowatt hours of energy each year, and sells its electrical output to the Pacific Gas & Electric Co and Northern California Power Agency. Power Plants and capacity of megawatts include Chicago Park 39.0, Dutch Flat 24.57, Rollins 12.15, Bowman 3.6, Combie South 1.5, Scotts Flat 0.875 and Combie North 0.5.

The District began producing power in 1966 with the completion of the \$65 million Yuba-Bear Hydroelectric Power Project. The project included the Chicago Park and Dutch Flat powerhouses. The Rollins powerhouse came onboard in 1980. To make use of existing water releases, small power plants came onboard during the 1980s at Bowman, Scotts Flat and Combie reservoirs. The District's North Auburn 80-kilowatt solar array came online in June 2005 to offset power cost at the North Auburn water treatment plant.

The District is completing requirements for a new Federal license that will govern the Yuba-Bear Hydroelectric Power Project hydroelectric operations for years to come. The District has a secure multi-year power sales agreement that markets the Project's energy production to the Pacific Gas & Electric Company.

Recreation Operation

The District provides outstanding outdoor recreational opportunities at District reservoirs in the foothills and mountains of the Northern Sierra. Popular Sierra foothill recreation activities at both Rollins and Scotts Flat reservoirs include camping, fishing, swimming, sunning, boating, waterskiing, sailing, and kayaking. Contracted private operators and District personnel operate campgrounds and beaches.

Scotts Flat is nestled among the tall pines at the 3,100-foot elevation, nine miles east of Nevada City via Highway 20 and Scotts Flat Road. It offers 190 campsites at two large campgrounds plus a group camp. Across the lake, accessible via Red Dog and Quaker Hill Roads from Nevada City, is the Cascade Shores Day Use Area.

Rollins Reservoir, located at the 2,100-foot elevation off Highway 174 between Grass Valley and Colfax, has four NID operated campgrounds. Long Ravine, Greenhorn, Orchard Springs and Peninsula offer a combined 273 campsites and a complete range of services including stores, restaurants, fuel sales and rentals. The District proudly

serves about 200,000 campers and day use visitors among its campgrounds.

The District's mountain campgrounds reside at Faucherie, Bowman and Jackson Meadows reservoirs. Nature, solitude, scenery and good fishing are among the attractions. The mountain campgrounds normally are snowed in during the winter and opened for recreation from Memorial Day through Labor Day. The District operates certain campgrounds located on United States Forest Service under permit.

Summary of District Operations:

- Customers: Approx. 25,000 (approx. 5,600 raw water & 19,500 treated water customers)
- Municipal customers: Grass Valley, Nevada City, City of Lincoln
- Number of Employees: Full-time equivalents: 192
- District Geographical Size: 287,000 acres
- Mountain Watershed: 70,000 acres
- Storage Capacity: 280,085 acre-feet
- Reservoirs: 9
- Water Treatment Plants: 6
- Storage Tanks: 45
- Hydroelectric Plants: 8
- Solar Array: 80 Kilowatt
- Recreation Sites: 12
- Canals: >500 miles
- Pipelines: 411 miles
- 2023 Combined Budget: \$84.3 million (excluding transfers)
 - Water Division: \$46.5 million
 - Hydroelectric Division: \$20.5 million
 - Recreation Division: \$3.2 million
 - Internal Services: \$14.1 million

Accounting System and Budgetary Controls

The District's accounting records use the accrual basis of accounting. Revenue recognition occurs when earned and expenses are recognized when incurred. The District has three separate enterprise activities and accounts for the financial transactions of the three enterprise operations separately.

The District staff works with the Finance Department to develop the annual budget. The process begins in June and department directors develop their budget requests needed to fulfill the District's mission, goals, and objectives for the next fiscal year. The Finance Department prepares the proposed budget and reviews it with the General Manager, making any necessary adjustments arising from that review. Then the Finance Director presents the General Manager's approved budget to the Board of Directors in October for their review. The Board adopts the budget in public hearing no later than December 31. The document is a management tool for projecting, measuring, and controlling revenues and expenses.

Factors Affecting Financial Condition

Economic Outlook

The District is located in Northern California and serves parts of Nevada, Placer, and Yuba Counties.

Nevada County

The estimated population figure for Nevada County is 100,720 with approximately 67% or 67,214 of the residents living in the unincorporated areas of the County. This is a .5% decrease from the prior year's estimate of 101,242. The town of Truckee is the largest of the three cities within the County with 16,676 residents. The City of Grass Valley is the second largest city with a population of 13,488. Nevada City serves as the County seat with a population of 3,342.

The County's monthly labor force data from the State of California Employment Development Department shows total annual average labor force at 48,840 for 2023 which was a decrease of 50 from the 2022 figure. Nevada County's unemployment rate in 2023 was 3.9% which is a decrease of 0.3 % over the prior year. California's statewide rate was 4.7% for the same period. The median household income within the County of Nevada is \$74,617 (2023 American Community Survey US Census Bureau). This is 12.7% lower than the California median household income of \$84,097.

The County has realized an average property tax growth rate of 5.5% over the past 30 years. The real estate market cooled in the final quarter of 2022 and is projected in 2023-24 to return an average growth rate of 5.5%.

The real estate market appears to have stabilized with some fluctuation in median housing prices over the past year. California Association of Realtors data shows the median residential property in Nevada County for October 2023 was \$538,000 from \$532,500 in October of 2022 which is a 1.0% increase. While the median home value in the eastern portion of the county remained higher at \$1,002,862 in October 2023, the median home value in the eastern portion of the county decreased 4.4% year over year according to Zillow.com.

Placer County

The 2023 estimated population figure for Placer County is 410,305 with approximately 27% or 112,687 of the residents living in the unincorporated areas of Placer County. This is a .3% increase from the 2022 estimate of 409,025. The town of Roseville is the largest of the six cities within the County with 152,928 residents. The City of Rocklin is the second largest city with a population of 71,179. Lincoln is the third largest city with a population exceeding 52,000.

The County's monthly labor force data from the State of California Employment Development Department shows a total annual average labor force of 194,700 for 2023 which was an increase of 900 over the prior year. Placer County's unemployment rate in 2023 was 3.7% which is an increase of .6% from 2022's unemployment rate of 3.1%. California's statewide rate was 4.7% for the same period. Placer County's 2023 unemployment rate was above the national level of 3.4% and below the state level of 4.7%. Average median household income increased to \$99,734, 18.5 % above the state average of \$84,097. Yuba County

The 2023 estimated population figure for Yuba County is 85,722 with approximately 80% or 65,787 of the residents living in the unincorporated areas of Yuba County. This is a 4.2% increase from the 2022 estimate of 82,275. The town of Marysville is the County seat and one of California's most historic cities with 12,824 residents. The City of Wheatland has a population of 3,664.

The County's monthly labor force data from the State of California Employment Development Department shows a total annual average labor force for 2023 at 31,900 which was a decrease of 100 from the 2022 figure. Yuba County's unemployment rate in 2023 was 6.70% which is an increase of 1.2% from 2022's unemployment rate of 5.5%. California's statewide rate was 4.7% for the same period.

The County continues to expect growth. The County has several development projects underway which are expected to spur growth in the County.

Long-Term Financial Planning

In order to ensure funds are available to meet both operating and capital needs, the District will be undertaking a new financial planning process with the development of a long-term capital improvement program that will be based on the Plan for Water Process. The Plan for Water Process is intended to define the District's water needs for a 50-year period. Once the Plan for Water is completed, the District will prepare a series of master plans for treated water, raw water and watershed to identify capital requirements for the next five-year period. Additionally, the District will be undertaking a new Proposition 218 process for the establishment of new water rates and a master capacity fee study at the end of 2025.

Acknowledgements

Without the dedicated services of the entire Finance Department and other key Departmental staff, the preparation of this annual comprehensive financial report would be impossible. The continued support of the Board of Directors of the District in the planning and implementation of the financial systems is a critical component of the District's sustainability and resilience.

Sincerely,



Jennifer Hanson, General Manager

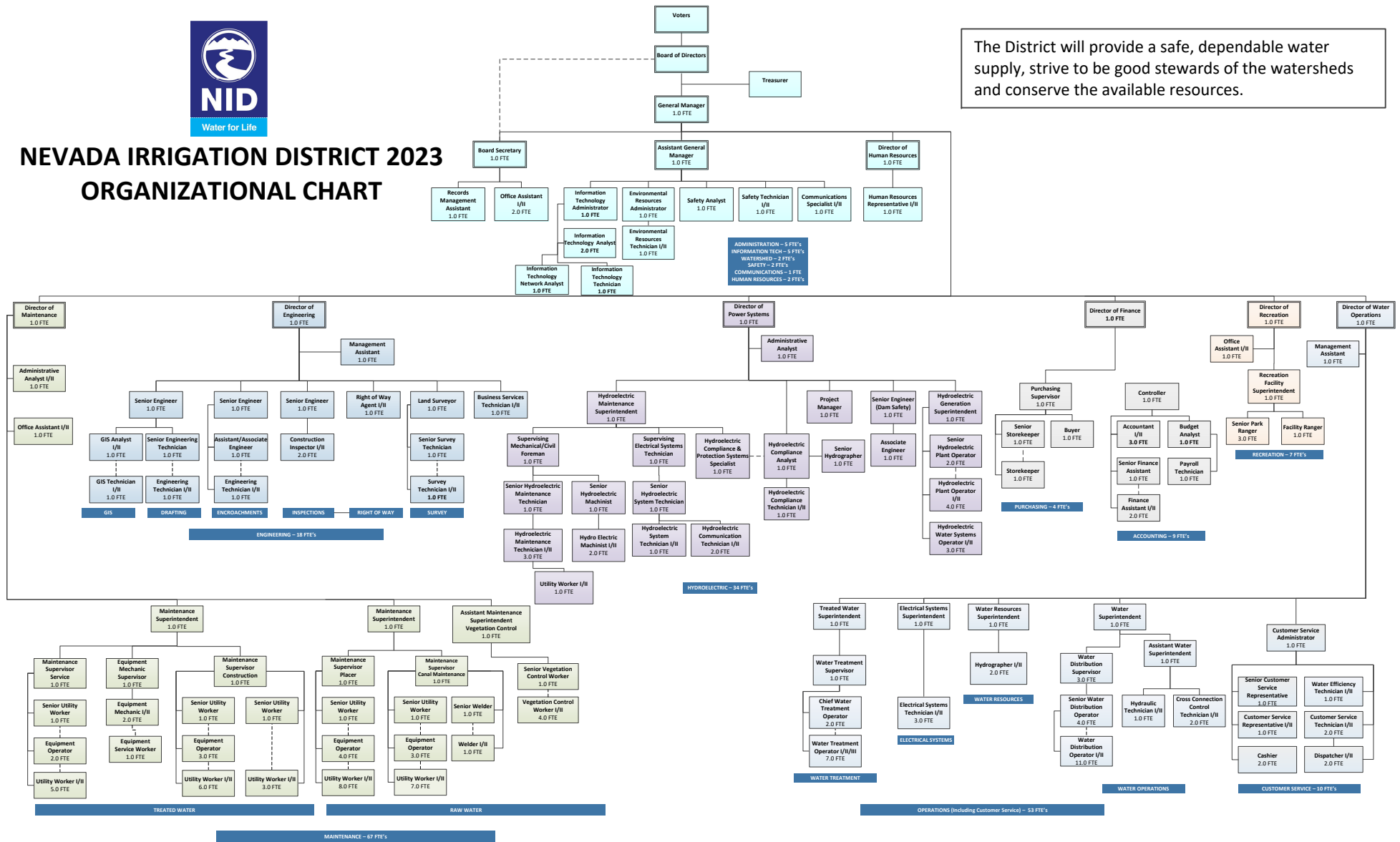


Sandra Dunlap, Finance Director



NEVADA IRRIGATION DISTRICT 2023 ORGANIZATIONAL CHART

The District will provide a safe, dependable water supply, strive to be good stewards of the watersheds and conserve the available resources.



Total Employees - 209
Updated March 2023

Nevada Irrigation District

List of Elected and Appointed Officials December 31, 2023

Board of Directors – Elected Officials



Ricki Heck – Division I
12/2022 – 12/2026



Chris Bierwagen – Division II
12/2022 – 12/2026



Karen Hull – Division III
12/2020 – 12/2024



Trevor Caulder – Division IV
12/2022 – 12/2026



Rich Johansen – Division V
12/2020 – 12/2024

Staff – Appointed Officials

| | |
|---------------------------------|-----------------------------------|
| General Manager | Jennifer Hanson |
| Assistant General Manager | Gregory Jones, MBA |
| Finance Director | Sandra Dunlap |
| Engineering Director | Doug Roderick |
| Operations Director | Armon “Chip” Close, T5 |
| Maintenance Director | Steve Prosser |
| Hydroelectric Director | Keane Sommers, P.E., MSC, QSP/QSD |
| Recreation Director | Monica Reyes |
| Board Secretary | Kris Stepanian, MBA |
| Human Resources Director..... | Naomi Schmitt |



Scotts Flat

FINANCIAL SECTION



English Meadow



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Nevada Irrigation District
Grass Valley, California

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, each major fund and the aggregate remaining fund information of Nevada Irrigation District (the District) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund and the aggregate remaining fund information of the District, as of December 31, 2023, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension related schedules and OPEB related schedules 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying capacity fee schedule, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the capacity fee schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

MUN CPAs, LLP

Sacramento, California
June 18, 2024

**NEVADA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
DECEMBER 31, 2023**

This section presents management's discussion and analysis of the Nevada Irrigation District's (the District) financial condition and activities as of and for the year ended December 31, 2023. The analysis serves as an introduction to the District's audited basic financial statements and complements the readers understanding of those financial statements.

ORGANIZATION AND BUSINESS

The Nevada Irrigation District (District or NID) is an independent California special district formed in 1921 under the State's California Water Code for the purpose of providing a water supply and operating a distribution system for domestic, municipal, industrial, and agricultural use. The District is a diversified water agency governed by a five-member Board of Directors elected by District voters. The Board is the District's policy-making body, while the District's General Manager, along with approximately 208 full-time, part-time and temporary employees implement policy. The District also generates renewable hydroelectric energy and provides outdoor recreation. Electric power is produced at various hydroelectric facilities and is sold to Pacific Gas and Electric Utility Company (PG&E) and Northern California Power Agency (NCPA) under various purchase agreements. Unique in many respects, NID collects water from its own high mountain watershed, operates a network of six water treatment plants, generates renewable hydroelectric energy, maintains in its water system 475 miles of canals and 411 miles of pipeline and provides outdoor recreation at the District's reservoirs to customers in Nevada, Placer and Yuba counties.

Today, the District serves 19,782 treated water connections and 5,237 irrigation water customers located within its 287,000-acreage boundary. The six water treatment plants have a peak capacity of 41.4 MGD (million gallons per day). About ninety percent of the District's average 120,000 acre-feet of raw water supplied per year is used for local irrigation. NID also generates electricity from seven power plants, which have a combined generation capacity of 82.2 megawatts. Finally, NID's mountain and foothill reservoirs provide recreational experiences, which are important economic attractions for the local tourism industry.

Financial Highlights

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows by \$490,983,951 (*net position*). Of this amount, \$398,667,232 represents the District's net investment in capital assets, \$52,705,871 is restricted for capacity expansion, improvements, and for debt service, and \$37,864,186 is unrestricted.
- The District increased its total net position in 2023 by \$16,798,326, a 3.54% increase over 2022 primarily due to the District's increased investment in capital assets as several construction projects for Water and Electric were completed during the year. Overall operating revenues decreased \$0.3 million largely due to reduced water sales from drought restrictions. The District's other non-operating revenues increased \$12.6 million resulting from increases in investment income and the property tax revenue increase of \$0.8 million. The District includes two blended component units in its water fund financial statements, Cement Hill Community Facilities District and Rodeo Flat Assessment District. (See Note 3). Revenue from the blended component units is recorded under Special Assessments – Capital.
- The District's working capital, current assets of \$49,111,782 minus current liabilities of \$8,966,734 is a positive \$40,145,048, but significantly higher than 2022 by \$31.7 million primarily due to increased cash and cash equivalents (see Note 2 for full details). Accounts receivable increased by \$.8 million due to increase in property tax assessments.
- Investments of the District increased \$22.5 million, as idle cash was converted and invested in longer term investments. In January 2022, the District contracted with PFM Asset Management LLC and in April 2022 PFM began managing the investment portfolio.
- Operating expenses increased by \$5.1 million due in large part to the annual adjustment for OPEB and UAAL expenses.
- The District's Other Post-Employment Benefits (OPEB) liability is actuarially determined each year. This year, the liability increased by \$1.7 million for a liability of \$5.0 million recorded for the current year. The District holds funding for the OPEB benefits in the California Employer's Retirees Benefit Trust (CERBT) administered by CalPERS. The District is not currently using trust assets to pay for retiree benefits. (See Note 9)
- During 2023, Nevada Irrigation District's total liabilities and deferred inflows decreased by \$4.4 million with noncurrent liabilities posting a decrease of \$3.8 million and deferred inflows posting a decrease of \$0.9 million.
- As more fully detailed in Note 12, the District's significant contractual obligations as of December 31, 2023, are \$0.5 million.

**NEVADA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS (CONTINUED)
DECEMBER 31, 2023**

Overview of the District's Financial Statements

This discussion and analysis serves as an introduction to the Nevada Irrigation District's basic financial statements. The District's basic financial statements report information about the District using accounting methods like those used by companies in the private sector. The financial statements provide separate information for the water, electric, and recreation operations and the internal service fund. These financial statements include the following:

1. Fund financial statements and blended component units
2. Notes to the financial statements
3. Fiduciary fund financial statements

In addition to the basic financial statements, the report contains required supplementary information as well as a statistical section providing historical trends, demographic and selected operating indicators.

There are several different types of financial statements within the first components identified above:

The **Statement of Net Position** discloses the financial position of the District at a specific point in time, December 31, 2023. It reflects the assets and deferred outflows of resources of the District, its liabilities and deferred inflows of resources, and net position (equity). Assets and liabilities are listed in order of their estimated liquidity. Cash and other unrestricted assets readily convertible to cash are listed first. Capital assets consisting primarily of property, plant and equipment appear at the bottom of the list because of the distinctive nature of those items. The District's fiscal year is the calendar year of January 1st through December 31st.

Capital assets are presented on the statement of net position net of accumulated depreciation. Accumulated depreciation is the estimated reduction of value attributable to the wear and tear of assets caused by usage and the passage of time.

The **Statement of Revenues, Expenses, and Changes in Net Position** discloses the results of operations over time, the year ended December 31, 2023. This statement reflects revenues earned (whether collected or not), and expenses incurred (whether paid or not) during the year.

This statement differs significantly from the statement of net position in that it discloses the activities of the District over the course of a year and reconciles the net income of the District to its beginning and ending net position. The net earnings of the District flow into the net position of the District as reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

The **Statement of Cash Flows** combines aspects of both the statement of net position and the statement of revenues, expenses, and changes in net position detailing the sources of District receipts and uses of District disbursements.

The **Fiduciary Fund Statements** reflect the net position and changes in net position of fiduciary activities.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes provide a narrative description of certain items contained in the financial statements to enhance the understanding of those items. The notes to the financial statements commence on page 19 and conclude on page 44 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's progress in funding its pension and other post-employment benefit obligations. Required supplementary information is located on pages 45 - 51 of this report. In addition, the District has elected to present Government Code 66013 Capacity Fee Schedule on restricted fees as supplementary information on page 52.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$490,983,951 at the close of the fiscal year. (See Table 1)

**NEVADA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS (CONTINUED)
DECEMBER 31, 2023**

By far the largest portion of the District's net position (81.20%), consists of its net investment in capital assets (e.g., land, buildings, machinery, and equipment). The District maintains these capital assets to provide excellent services to the citizens of its community and consequently are unavailable to cover liabilities.

**Table 1
Statements of Net Position**

| | <u>2023</u> | <u>2022</u> | <u>Change</u> |
|--|-----------------------|-----------------------|----------------------|
| <u>ASSETS</u> | | | |
| Current and other assets | \$ 149,834,631 | \$ 133,203,309 | \$ 16,631,322 |
| Capital assets (net of accumulated depreciation) | <u>433,375,070</u> | <u>435,881,799</u> | <u>(2,506,729)</u> |
| Total Assets | <u>583,209,701</u> | <u>569,085,108</u> | <u>14,124,593</u> |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | |
| Deferred outflows | <u>15,940,757</u> | <u>17,642,067</u> | <u>(1,701,310)</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS | <u>599,150,458</u> | <u>586,727,175</u> | <u>12,423,283</u> |
| <u>LIABILITIES</u> | | | |
| Current liabilities | 8,966,734 | 8,714,476 | 252,258 |
| Long-term liabilities | <u>96,420,212</u> | <u>100,180,445</u> | <u>(3,760,233)</u> |
| Total Liabilities | <u>105,386,946</u> | <u>108,894,921</u> | <u>(3,507,975)</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Deferred inflows | <u>2,779,561</u> | <u>3,646,628</u> | <u>(867,067)</u> |
| Total Deferred Inflows | <u>2,779,561</u> | <u>3,646,628</u> | <u>(867,067)</u> |
| TOTAL LIABILITIES AND DEFERRED INFLOWS | <u>108,166,507</u> | <u>112,541,549</u> | <u>(4,375,042)</u> |
| <u>NET POSITION</u> | | | |
| Net investment in capital assets | 398,667,232 | 430,162,905 | (31,495,673) |
| Restricted for capacity expansion | 2,000,000 | 8,865,517 | (6,865,517) |
| Restricted for improvements | 51,801,769 | - | 51,801,769 |
| Restricted for debt service | 650,764 | 611,180 | 39,584 |
| Unrestricted | <u>37,864,186</u> | <u>34,546,024</u> | <u>3,318,162</u> |
| Net Position | <u>\$ 490,983,951</u> | <u>\$ 474,185,626</u> | <u>\$ 16,798,325</u> |

The District's restricted net position of \$54,452,533 represents resources that are subject to statutory restrictions and debt service requirements. The unrestricted net position, \$37,864,186 serves to meet all short and long-term annual liabilities. Unrestricted cash and investments are at \$117.11 million with \$13.13 million in near term cash and \$103.98 million in longer term investments. The District's cash and investments are sufficient to meet the District's ongoing obligations to citizens and creditors consistent with prudent investment policy.

**NEVADA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS (CONTINUED)
DECEMBER 31, 2023**

**Table 2
Statement of Revenues, Expenses and Changes in Net Position**

| | <u>2023</u> | <u>2022</u> | <u>Change</u> |
|---|-----------------------|-----------------------|----------------------|
| <u>OPERATING REVENUES</u> | | | |
| Water sales | \$ 27,827,551 | \$ 28,216,392 | \$ (388,841) |
| Electrical power sales | 25,612,158 | 25,023,700 | 588,458 |
| Recreation fees | 2,388,027 | 2,189,353 | 198,674 |
| Other revenue | <u>1,782,884</u> | <u>2,527,891</u> | <u>(745,007)</u> |
| Total Operating Revenue | <u>57,610,620</u> | <u>57,957,336</u> | <u>(346,716)</u> |
| <u>NONOPERATING REVENUES</u> | | | |
| Taxes and assessments | 16,444,213 | 15,599,521 | 844,692 |
| Investment income (loss) | 5,471,977 | (6,320,882) | 11,792,859 |
| Intergovernmental revenue | 1,397,475 | 1,290,979 | 106,496 |
| Gain (loss) on disposal of assets | 15,836 | 129,628 | (113,792) |
| Rents and leases | <u>466,242</u> | <u>453,148</u> | <u>13,094</u> |
| Total Non-Operating Revenues | <u>23,795,743</u> | <u>11,152,394</u> | <u>12,643,349</u> |
| TOTAL REVENUES | <u>81,406,363</u> | <u>69,109,730</u> | <u>12,296,633</u> |
| <u>OPERATING EXPENSES</u> | | | |
| Water | 34,750,850 | 28,524,328 | 6,226,522 |
| Electric | 13,009,648 | 17,848,572 | (4,838,924) |
| Recreation | 2,442,953 | 3,943,364 | (1,500,411) |
| Internal service | <u>14,272,980</u> | <u>9,066,863</u> | <u>5,206,117</u> |
| Total Operating Expenses | <u>64,476,431</u> | <u>59,383,127</u> | <u>5,093,304</u> |
| <u>NONOPERATING EXPENSES</u> | | | |
| Interest expense | <u>1,352,045</u> | <u>1,467,627</u> | <u>(115,582)</u> |
| Total Non-Operating Expenses | <u>1,352,045</u> | <u>1,467,627</u> | <u>(115,582)</u> |
| TOTAL EXPENSES | <u>65,828,476</u> | <u>60,850,754</u> | <u>4,977,722</u> |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | <u>15,577,887</u> | <u>8,258,976</u> | <u>7,318,911</u> |
| <u>CAPITAL CONTRIBUTIONS AND TRANSFERS</u> | | | |
| Facility capacity charges | 738,391 | 864,344 | (125,953) |
| Special assessments - capital | 362,045 | 357,782 | 4,263 |
| Other capital contributions & transfers | 120,003 | 270,632 | (150,629) |
| Total Transfers and Capital Contributions | <u>1,220,439</u> | <u>1,492,758</u> | <u>(272,319)</u> |
| CHANGE IN NET POSITION | <u>16,798,326</u> | <u>9,751,734</u> | <u>7,046,592</u> |
| NET POSITION - BEGINNING OF YEAR | 474,185,625 | 463,315,617 | 10,870,008 |
| PRIOR PERIOD ADJUSTMENT | - | <u>1,118,275</u> | <u>(1,118,275)</u> |
| NET POSITION - END OF YEAR | <u>\$ 490,983,951</u> | <u>\$ 474,185,626</u> | <u>\$ 16,798,325</u> |

**NEVADA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS (CONTINUED)
DECEMBER 31, 2023**

The District's total net position increased by \$16.8 million in 2024, \$7.0 million more than the \$9.8 million in the prior year. Total revenues of \$81.4 million surpassed total expenses of \$65.8 million by \$15.6 million, being driven by increases in both operating and nonoperating revenue despite increases in operating expenses. The District saw decreased water sales of \$0.4 million and other revenue of \$0.7 million due to drought restrictions. The District saw increased investment income of \$11.8 million resulting from positive changes in market conditions, along with an increase in taxes and assessments of \$0.8 million, generating an increase in total revenue of \$12.3 million. The District did incur an increase in expenses of \$5.0 million with an increase in operating expenses primarily due to increased long-term liabilities for both pension and OPEB based on valuations, coupled with a slight decrease in nonoperating expenses. This year's capacity fees and capital contributions were healthy, contributing \$1.2 million, a decrease over the prior year of \$0.3 million, to arrive at the change in net position of \$16.8 million.

Operating expenses increased in 2024 overall by \$5.1 million resulting from two primary factors: salaries were adjusted to market value coupled with a cost of living increase in January 2023; and an increase in expenses was realized for both pension and OPEB based on updated annual valuations. New investments in infrastructure drove the increase in depreciation for several Water and Electric projects completed in 2022. The District received \$1.6 million in capacity fee charges pursuant to Government Code 66013, which is \$181 thousand more received than the prior year.

Capital Assets. The District's capital assets, net of accumulated depreciation, as of December 31, 2023 totaled \$433,375,070 as compared to \$435,881,799 for 2022. This investment in capital assets includes land, utility plants in service, recreation facilities, machinery and equipment and construction in progress. Nondepreciable capital assets increased by \$6.4 million with the completion and transfer of several Water and Electric capital projects in 2024 from Construction in Progress (CIP) to depreciable assets, contributing to the \$3.9 million increase this year in depreciable assets. Additional information on the District's capital assets is located under Note 4 to the basic financial statements.

Major capital asset categories include the following:

| | Major Capital Assets | |
|--------------------------------|-----------------------------|-----------------------|
| | <u>2023</u> | <u>2022</u> |
| Nondepreciable capital assets | \$ <u>134,580,145</u> | \$ <u>141,003,111</u> |
| Depreciable capital assets | 524,908,530 | 510,185,911 |
| Less: accumulated depreciation | <u>(226,113,605)</u> | <u>(215,307,223)</u> |
| Net depreciable capital assets | <u>298,794,925</u> | <u>294,878,688</u> |
| Net Capital Assets | <u>\$ 433,375,070</u> | <u>\$ 435,881,799</u> |

Long-Term Liabilities. This year, the District had long-term liabilities outstanding (including the current portion) of \$96,492,064 comprised of net pension and OPEB liabilities, compensated absences, HRA liability, revenue bonds and state loans, an increase of \$6.9 million from the prior period. The primary reason for the decrease is attributable to the decrease in OPEB liabilities resulting from contributions and changing market conditions, as well as a decrease in long-term liabilities attributed to regular payments made throughout the year. (See Note 5 for additional information on long term liabilities.)

**Long-Term Liabilities and Total Debt
(Includes current portion)**

| | <u>2023</u> | <u>2022</u> |
|--|----------------------|-----------------------|
| Other postemployment benefits | \$ 4,963,030 | \$ 6,683,624 |
| Compensated absences | 3,201,657 | 3,987,058 |
| Health reimbursement arrangement (HRA) | 589,062 | 862,332 |
| Net pension liability | 57,919,437 | 56,746,399 |
| 2016A Revenue bonds | 14,980,000 | 17,960,000 |
| 2020A Revenue bonds | 11,625,000 | 12,905,000 |
| State of California loans | <u>3,213,878</u> | <u>4,271,310</u> |
| Total Outstanding | <u>\$ 96,492,064</u> | <u>\$ 103,415,723</u> |

**NEVADA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS (CONTINUED)
DECEMBER 31, 2023**

Economic Factors and Next Year's Rates

The District will initiate the rate setting process in 2025 for raw and treated water rates and will be required to prepare a new Proposition 218 rate increase notice for any proposed rate increase subsequent to 2023. It is anticipated that a water rate study will be completed in late 2025.

The District is also in the process of a comprehensive Capacity Charge Update to evaluate potential fee modifications and develop updated capacity charges designed to equitably recover the costs of District facilities and assets that benefit new development. Capacity charges will be designed to comply with the requirements of California Government Code Section 66013 which governs water and sewer capacity fees.

The District continues to make an investment in its relicensing efforts with the Federal Energy Regulatory Commission (FERC). The license allows the District to operate its Yuba-Bear hydroelectric facilities located primarily on the South Yuba and Bear rivers in Nevada and Placer counties. The permanent license expired on April 30, 2013. Currently, the District operates on annual licenses from FERC until issuance of the full license by the Commission. The District has expended approximately \$16.8 million through December 31, 2023 in relicensing efforts.

The District's 2024 budget considered the above results. The District adopts its budget in accordance with California Government Codes Section 53900 – 53901, Water Code Division 11 Section 20500 – 29978 and District policy and prudent practice.

Requests for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information in this report or requests for additional financial information can be directed to Finance Manager/Treasurer at 1036 West Main Street, Grass Valley, CA, 95945.

**NEVADA IRRIGATION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

| | Business-type Activities | | | | |
|--|---------------------------------|------------------------------|-----------------------------|---------------------------------------|----------------------------------|
| | Water | Electric | Recreation | Total Enterprise Funds | Internal Service Fund |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents (Note 2) | \$ 3,571,695 | \$ 5,901,864 | \$ 1,840,743 | \$ 11,314,302 | \$ 1,728,315 |
| Investments (Note 2) | 15,978,312 | 4,220 | - | 15,982,532 | - |
| Accounts receivable | 3,002,807 | 2,684,037 | 18,595 | 5,705,439 | - |
| Interest receivable | 160,559 | 42 | - | 160,601 | - |
| Assessments receivable | 9,114,817 | - | - | 9,114,817 | - |
| Grants receivable | 370,107 | - | 1,800 | 371,907 | 686,008 |
| Inventory | 2,171,634 | 344,474 | 10,273 | 2,526,381 | - |
| Prepaid expenses and other current assets | 462,267 | 770,161 | 27,674 | 1,260,102 | 167,275 |
| Deposits | 94,103 | - | - | 94,103 | - |
| Total current assets | <u>34,926,301</u> | <u>9,704,798</u> | <u>1,899,085</u> | <u>46,530,184</u> | <u>2,581,598</u> |
| Noncurrent assets | | | | | |
| Restricted cash and cash equivalents (Note 2) | 788,063 | - | - | 788,063 | - |
| Restricted investments (Note 2) | 9,770,398 | - | - | 9,770,398 | - |
| Investments (Note 2) | 21,544,919 | 66,260,297 | 197,339 | 88,002,555 | - |
| Loans receivable | 2,158,543 | 3,290 | - | 2,161,833 | - |
| Capital assets | | | | | |
| Non-depreciable (Note 4) | 50,542,242 | 56,137,244 | 27,900,659 | 134,580,145 | - |
| Depreciable, net (Note 4) | <u>251,772,711</u> | <u>41,438,864</u> | <u>5,583,350</u> | <u>298,794,925</u> | <u>-</u> |
| Total capital assets | <u>302,314,953</u> | <u>97,576,108</u> | <u>33,484,009</u> | <u>433,375,070</u> | <u>-</u> |
| Total noncurrent assets | <u>336,576,876</u> | <u>163,839,695</u> | <u>33,681,348</u> | <u>534,097,919</u> | <u>-</u> |
| Total Assets | <u>371,503,177</u> | <u>173,544,493</u> | <u>35,580,433</u> | <u>580,628,103</u> | <u>2,581,598</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension plan (Note 8) | 6,837,370 | 3,400,497 | 566,670 | 10,804,537 | 1,128,586 |
| Other postemployment benefits (OPEB) plan (Note 9) | <u>3,007,940</u> | <u>462,295</u> | <u>158,505</u> | <u>3,628,740</u> | <u>378,894</u> |
| Total Deferred Outflows of Resources | <u>9,845,310</u> | <u>3,862,792</u> | <u>725,175</u> | <u>14,433,277</u> | <u>1,507,480</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$ 381,348,487</u> | <u>\$ 177,407,285</u> | <u>\$ 36,305,608</u> | <u>\$ 595,061,380</u> | <u>\$ 4,089,078</u> |

See accompanying notes to the basic financial statements.

**NEVADA IRRIGATION DISTRICT
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2023**

| | Business-type Activities | | | | |
|---|---------------------------------|-------------------|-------------------|---------------------------------------|----------------------------------|
| | Water | Electric | Recreation | Total Enterprise Funds | Internal Service Fund |
| <u>LIABILITIES</u> | | | | | |
| Current liabilities | | | | | |
| Accounts payable and other liabilities | \$ 725,526 | \$ 809,794 | \$ 91,751 | \$ 1,627,071 | \$ 303,477 |
| Accrued payroll and benefits | 511,810 | 162,531 | 33,329 | 707,670 | 138,289 |
| Refundable deposits | 762,473 | - | - | 762,473 | - |
| Retention payable | 271,831 | 877 | - | 272,708 | - |
| Unearned revenue | 405,310 | - | - | 405,310 | - |
| Accrued interest payable | 396,756 | - | - | 396,756 | - |
| Compensated absences and HRA liability, due within one year (Note 5) | 728,417 | 246,770 | 61,295 | 1,036,482 | 78,884 |
| Long-term liabilities, due within one year (Note 5) | <u>3,237,614</u> | <u>-</u> | <u>-</u> | <u>3,237,614</u> | <u>-</u> |
| Total current liabilities | <u>7,039,737</u> | <u>1,219,972</u> | <u>186,375</u> | <u>8,446,084</u> | <u>520,650</u> |
| Noncurrent liabilities | | | | | |
| Compensated absences and HRA liability, net of current portion (Note 5) | 1,804,085 | 618,557 | 173,827 | 2,596,469 | 78,884 |
| Long-term liabilities, net of current portion (Note 5) | 30,862,392 | - | - | 30,862,392 | - |
| Net pension liability (Note 8) | 32,912,280 | 17,360,444 | 2,928,642 | 53,201,366 | 4,718,071 |
| Net OPEB liability (Note 9) | <u>2,997,688</u> | <u>1,410,387</u> | <u>289,616</u> | <u>4,697,691</u> | <u>265,339</u> |
| Total noncurrent liabilities | <u>68,576,445</u> | <u>19,389,388</u> | <u>3,392,085</u> | <u>91,357,918</u> | <u>5,062,294</u> |
| Total Liabilities | <u>75,616,182</u> | <u>20,609,360</u> | <u>3,578,460</u> | <u>99,804,002</u> | <u>5,582,944</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | |
| Deferred amount on refunding of debt (Note 6) | 305,741 | - | - | 305,741 | - |
| Pension plan (Note 8) | 329,532 | 191,235 | 33,173 | 553,940 | 24,463 |
| OPEB plan (Note 9) | <u>1,437,144</u> | <u>264,555</u> | <u>43,009</u> | <u>1,744,708</u> | <u>150,709</u> |
| Total Deferred Inflows of Resources | <u>2,072,417</u> | <u>455,790</u> | <u>76,182</u> | <u>2,604,389</u> | <u>175,172</u> |

See accompanying notes to the basic financial statements.

**NEVADA IRRIGATION DISTRICT
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2023**

| | Business-type Activities | | | | |
|---|---------------------------------|-----------------------|----------------------|---------------------------------------|----------------------------------|
| | Water | Electric | Recreation | Total Enterprise Funds | Internal Service Fund |
| <u>NET POSITION</u> | | | | | |
| Net investment in capital assets | 267,863,828 | 97,319,396 | 33,484,008 | 398,667,232 | - |
| Restricted for capacity expansion | 2,000,000 | - | - | 2,000,000 | - |
| Restricted for improvements | - | 49,950,107 | 105,000 | 50,055,107 | 1,746,662 |
| Restricted for debt service | 650,764 | - | - | 650,764 | - |
| Unrestricted (Note 7) | <u>33,145,296</u> | <u>9,072,632</u> | <u>(938,042)</u> | <u>41,279,886</u> | <u>(3,415,700)</u> |
| Total Net Position | <u>303,659,888</u> | <u>156,342,135</u> | <u>32,650,966</u> | <u>492,652,989</u> | <u>(1,669,038)</u> |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | <u>\$ 381,348,487</u> | <u>\$ 177,407,285</u> | <u>\$ 36,305,608</u> | <u>\$ 595,061,380</u> | <u>\$ 4,089,078</u> |

See accompanying notes to the basic financial statements.

NEVADA IRRIGATION DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

| | Business-type Activities | | | | |
|---|---------------------------------|-----------------------|----------------------|---------------------------------------|----------------------------------|
| | Water | Electric | Recreation | Total Enterprise Funds | Internal Service Fund |
| <u>OPERATING REVENUES</u> | | | | | |
| Water sales | \$ 27,827,551 | \$ - | \$ - | \$ 27,827,551 | \$ - |
| Electric power sales | - | 25,612,158 | - | 25,612,158 | - |
| Standby charges | 120,862 | - | - | 120,862 | - |
| Reimbursements | 70,159 | 167,959 | - | 238,118 | - |
| New connections and installations | 429,104 | 6,842 | - | 435,946 | - |
| Recreation fees | - | - | 2,388,027 | 2,388,027 | - |
| Other revenue | <u>636,053</u> | <u>181,747</u> | <u>96,071</u> | <u>913,871</u> | <u>74,087</u> |
| Total operating revenues | <u>29,083,729</u> | <u>25,968,706</u> | <u>2,484,098</u> | <u>57,536,533</u> | <u>74,087</u> |
| <u>OPERATING EXPENSES</u> | | | | | |
| Administration and general | 4,477,368 | 10,940,638 | 2,148,262 | 17,566,268 | 14,272,980 |
| Water treatment | 9,062,893 | - | - | 9,062,893 | - |
| Transmission and distribution | 11,097,536 | - | - | 11,097,536 | - |
| Pumping | 1,266,463 | - | - | 1,266,463 | - |
| Depreciation | <u>8,846,590</u> | <u>2,069,010</u> | <u>294,691</u> | <u>11,210,291</u> | <u>-</u> |
| Total operating expenses | <u>34,750,850</u> | <u>13,009,648</u> | <u>2,442,953</u> | <u>50,203,451</u> | <u>14,272,980</u> |
| Operating Income (Loss) | <u>(5,667,121)</u> | <u>12,959,058</u> | <u>41,145</u> | <u>7,333,082</u> | <u>(14,198,893)</u> |
| <u>NONOPERATING REVENUES (EXPENSES)</u> | | | | | |
| Taxes and assessments | 16,444,213 | - | - | 16,444,213 | - |
| Investment income (loss) | 2,878,680 | 2,542,329 | 47,660 | 5,468,669 | 3,308 |
| Intergovernmental revenue | 252,541 | 3,290 | 18,000 | 273,831 | 1,123,644 |
| Rents and leases | 360,172 | - | 106,070 | 466,242 | - |
| Gain (loss) on disposal of capital assets | 24,652 | (8,816) | - | 15,836 | - |
| Interest expense | <u>(1,351,736)</u> | <u>(239)</u> | <u>(10)</u> | <u>(1,351,985)</u> | <u>(60)</u> |
| Total nonoperating revenues (expenses) | <u>18,608,522</u> | <u>2,536,564</u> | <u>171,720</u> | <u>21,316,806</u> | <u>1,126,892</u> |
| Income (Loss) Before Capital Contributions and Transfers | <u>12,941,401</u> | <u>15,495,622</u> | <u>212,865</u> | <u>28,649,888</u> | <u>(13,072,001)</u> |
| <u>CAPITAL CONTRIBUTIONS AND TRANSFERS</u> | | | | | |
| Facility capacity charges | 738,391 | - | - | 738,391 | - |
| Special assessments - capital | 362,045 | - | - | 362,045 | - |
| Other capital contributions | - | 120,003 | - | 120,003 | - |
| Transfers in | - | - | 1,415,000 | 1,415,000 | 9,656,301 |
| Transfers out | <u>(6,033,605)</u> | <u>(4,402,956)</u> | <u>(634,740)</u> | <u>(11,071,301)</u> | <u>-</u> |
| Change in Net Position | 8,008,232 | 11,212,669 | 993,125 | 20,214,026 | (3,415,700) |
| Net Position - January 1, 2023 | <u>295,651,656</u> | <u>145,129,466</u> | <u>31,657,841</u> | <u>472,438,963</u> | <u>1,746,662</u> |
| Net Position - December 31, 2023 | <u>\$ 303,659,888</u> | <u>\$ 156,342,135</u> | <u>\$ 32,650,966</u> | <u>\$ 492,652,989</u> | <u>\$ (1,669,038)</u> |

See accompanying notes to the basic financial statements.

**NEVADA IRRIGATION DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Business-type Activities | | | | |
|---|---------------------------------|---------------------|---------------------|---------------------------------------|----------------------------------|
| | Water | Electric | Recreation | Total Enterprise Funds | Internal Service Fund |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | | | | |
| Receipts from customers | \$ 28,717,482 | \$ 25,950,479 | \$ 2,462,752 | \$ 57,130,713 | \$ 79,560 |
| Payments to suppliers | (13,690,547) | (4,826,875) | (1,151,228) | (19,668,650) | (4,072,925) |
| Payments to employees | (15,769,262) | (6,061,356) | (1,392,313) | (23,222,931) | (5,215,368) |
| Rents and leases | <u>360,172</u> | <u>-</u> | <u>106,070</u> | <u>466,242</u> | <u>-</u> |
| Net Cash Provided by (Used for) Operating Activities | <u>(382,155)</u> | <u>15,062,248</u> | <u>25,281</u> | <u>14,705,374</u> | <u>(9,208,733)</u> |
| <u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u> | | | | | |
| Assessments received | 16,513,932 | - | - | 16,513,932 | - |
| Intergovernmental revenues received | 1,121,899 | 3,290 | 18,000 | 1,143,189 | 509,602 |
| Amounts received/(paid) from/(to) other funds | <u>(6,033,605)</u> | <u>(4,402,956)</u> | <u>780,260</u> | <u>(9,656,301)</u> | <u>9,656,301</u> |
| Net Cash Provided by (Used for) Noncapital Financing Activities | <u>11,602,226</u> | <u>(4,399,666)</u> | <u>798,260</u> | <u>8,000,820</u> | <u>10,165,903</u> |
| <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u> | | | | | |
| Acquisition of capital assets | (5,465,332) | (3,491,025) | - | (8,956,357) | - |
| Interest paid on long-term debt | (1,762,039) | - | - | (1,762,039) | - |
| Principal paid on long-term debt | (2,658,716) | - | - | (2,658,716) | - |
| Facility capacity charges received | 738,391 | - | - | 738,391 | - |
| Contributed capital | <u>-</u> | <u>120,003</u> | <u>-</u> | <u>120,003</u> | <u>-</u> |
| Net Cash Provided by (Used for) Capital and Related Financing Activities | <u>(9,147,696)</u> | <u>(3,371,022)</u> | <u>-</u> | <u>(12,518,718)</u> | <u>-</u> |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | | | |
| Investment earnings (loss) | (1,509,001) | 691,194 | 17,003 | (800,804) | 4,028 |
| Purchase of investments | (8,590,848) | (11,788,537) | - | (20,379,385) | - |
| Proceeds from sale of investments | <u>2,838,842</u> | <u>-</u> | <u>686,031</u> | <u>3,524,873</u> | <u>716,198</u> |
| Net Cash (Used for) Provided by Investing Activities | <u>(7,261,007)</u> | <u>(11,097,343)</u> | <u>703,034</u> | <u>(17,655,316)</u> | <u>720,226</u> |
| Net (Decrease) Increase in Cash and Cash Equivalents | <u>(5,188,632)</u> | <u>(3,805,783)</u> | <u>1,526,575</u> | <u>(7,467,840)</u> | <u>1,677,396</u> |
| Cash and Cash Equivalents - January 1, 2023 | <u>9,548,390</u> | <u>9,707,647</u> | <u>314,168</u> | <u>19,570,205</u> | <u>50,919</u> |
| Cash and Cash Equivalents - December 31, 2023 | <u>\$ 4,359,758</u> | <u>\$ 5,901,864</u> | <u>\$ 1,840,743</u> | <u>\$ 12,102,365</u> | <u>\$ 1,728,315</u> |

See accompanying notes to the basic financial statements.

**NEVADA IRRIGATION DISTRICT
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Business-type Activities | | | | |
|---|---------------------------------|-----------------------------|----------------------------|---------------------------------------|----------------------------------|
| | Water | Electric | Recreation | Total Enterprise Funds | Internal Service Fund |
| <u>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</u> | | | | | |
| Unrestricted cash and cash equivalents | \$ 3,571,695 | \$ 5,901,864 | \$ 1,840,743 | \$ 11,314,302 | \$ 1,728,315 |
| Restricted cash and cash equivalents | <u>788,063</u> | <u>-</u> | <u>-</u> | <u>788,063</u> | <u>-</u> |
| Cash and Cash Equivalents - December 31, 2023 | <u>\$ 4,359,758</u> | <u>\$ 5,901,864</u> | <u>\$ 1,840,743</u> | <u>\$ 12,102,365</u> | <u>\$ 1,728,315</u> |
| <u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</u> | | | | | |
| Operating income (loss) | \$ (5,667,121) | \$ 12,959,058 | \$ 41,145 | \$ 7,333,082 | \$(14,198,893) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | | | |
| Depreciation | 8,846,590 | 2,069,010 | 294,691 | 11,210,291 | - |
| Net change in deferred outflows and inflows | 1,464,979 | 294,019 | 431,196 | 2,190,194 | (1,332,308) |
| Rent and lease receipts | 360,172 | - | 106,070 | 466,242 | - |
| (Increase) decrease in: | | | | | |
| Accounts receivable | (574,440) | (14,937) | (2,992) | (592,369) | 5,473 |
| Inventory | 85,747 | (12,894) | (7,158) | 65,695 | - |
| Prepaid expenses and other current assets | (267,536) | (540,609) | (13,216) | (821,361) | 1,299,234 |
| Deposits | (18,329) | - | - | (18,329) | - |
| Loans receivable | 250,424 | (3,290) | - | 247,134 | - |
| Increase (decrease) in: | | | | | |
| Accounts payable and other liabilities | (73,118) | 283,840 | 69,355 | 280,077 | (7,430) |
| Accrued payroll and benefits | 17,543 | 27,669 | 14,560 | 59,772 | 415 |
| Refundable deposits | (49,975) | - | (354) | (50,329) | - |
| Retention payable | (121,330) | (1,623) | - | (122,953) | - |
| Unearned revenue | 7,744 | - | (18,000) | (10,256) | - |
| Compensated absences and HRA liability | 18,251 | (39,936) | 21,135 | (550) | 41,366 |
| Net pension liability | (2,122,947) | (1,212,652) | (209,434) | (3,545,033) | 4,718,071 |
| Net OPEB liability | <u>(2,538,809)</u> | <u>1,254,593</u> | <u>(701,717)</u> | <u>(1,985,933)</u> | <u>265,339</u> |
| Net Cash Provided by (Used for) Operating Activities | <u>\$ (382,155)</u> | <u>\$ 15,062,248</u> | <u>\$ 25,281</u> | <u>\$ 14,705,374</u> | <u>\$ (9,208,733)</u> |

See accompanying notes to the basic financial statements.

**NEVADA IRRIGATION DISTRICT
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | <u>Business-type Activities</u> | | | | |
|--|---------------------------------|---------------------|-------------------|---------------------------------------|----------------------------------|
| | <u>Water</u> | <u>Electric</u> | <u>Recreation</u> | <u>Total Enterprise Funds</u> | <u>Internal Service Fund</u> |
| <u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u> | | | | | |
| (Decrease) increase in fair value of investments | \$ (1,580,447) | \$ 1,899,465 | \$ 46,255 | \$ 319,018 | \$ (161,908) |
| Amortization of bond premiums and discounts | (461,754) | - | - | (461,754) | - |
| Deferred amount on refunding | 305,741 | - | - | 305,741 | - |
| Amortization of deferred amount on refunding | <u>(23,643)</u> | <u>-</u> | <u>-</u> | <u>(23,643)</u> | <u>-</u> |
| Total Non-Cash Investing, Capital, and Financing Activities | <u>\$ (1,760,103)</u> | <u>\$ 1,899,465</u> | <u>\$ 46,255</u> | <u>\$ 139,362</u> | <u>\$ (161,908)</u> |

See accompanying notes to the basic financial statements.

**NEVADA IRRIGATION DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023**

| | <u>Custodial Funds</u> |
|------------------------------------|----------------------------|
| <u>ASSETS</u> | |
| Cash and cash equivalents (Note 2) | \$ <u>82,685</u> |
| Total Assets | <u>82,685</u> |
| <u>NET POSITION</u> | |
| Restricted for improvements | <u>82,685</u> |
| Total Net Position | <u>\$ <u>82,685</u></u> |

See accompanying notes to the basic financial statements.

**NEVADA IRRIGATION DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Custodial Funds |
|--|----------------------------|
| <u>ADDITIONS</u> | |
| Interest income | \$ _____ - |
| Total Additions | _____ - |
| <u>DEDUCTIONS</u> | |
| Distribution to District | _____ - |
| Total Deductions | _____ - |
| Change in Fiduciary Net Position | _____ - |
| Fiduciary Net Position - January 1, 2023 | _____ 82,685 |
| Fiduciary Net Position - December 31, 2023 | \$ <u>_____ 82,685</u> |

See accompanying notes to the basic financial statements.

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Nevada Irrigation District (the District) was formed in 1921 under the Irrigation District Law, Division 11 of the State Water Code for the purpose of collecting, sorting and delivering irrigation water to farmers and ranches within the District. The District is governed by a five-member Board of Directors elected by District voters to four-year terms. The District's northerly boundary follows the South Fork of the Yuba river, the District's easterly boundary runs through the Scotts Flat, Rollins and Combie Reservoirs and the Auburn area in Placer County, the District's southerly boundary runs between the Auburn and Lincoln areas in Placer County and the westerly boundary runs north out of the Lincoln area in Placer County; and then follows the Nevada-Yuba county line. The District is currently headquartered in Grass Valley, California, which is approximately 60 miles northeast of Sacramento, California, and approximately 150 miles northeast of San Francisco, California.

Water supplied by the District originates in the snowpack at the upper reaches of the Middle and South Yuba River and in the natural flows of the Bear River, Deer Creek and several tributary systems. The District's rights to such water are varied, consisting of a combination of pre- and post-1914 State water rights. While originally created to provide raw water for irrigation purposes, the District has expanded its operations to include treatment and delivery of water for residential, municipal and industrial purposes and the generation of hydroelectricity. The District has the option to purchase additional water from the Pacific Gas and Electric Company ("PG&E"), subject to availability, under certain arrangements with PG&E.

The District currently encompasses approximately 287,000 acres and provides raw and treated water to approximately 25,000 customers in Nevada and Placer Counties (the "Counties") and in a small portion of Yuba County. The District's water system includes 9 storage reservoirs containing a capacity of approximately 280,085 acre-feet and approximately 475 miles of canal. Treated water facilities include six treatment plants, 43 storage tanks and reservoirs and approximately 411 miles of pipeline.

The District owns and operates seven hydroelectric powerhouses through several hydroelectric facilities that include (i) the Yuba-Bear Hydroelectric Project (FERC Project No. 2266) (the "Yuba-Bear FERC Project"), which includes the Rollins Development and the Bowman Development, (ii) the Combie Project, which consists of the Combie North Power Project and the Combie South Power Project, and (iii) the Scotts Flat Project.

The financial statements include the financial activities of the Nevada Irrigation District Joint Powers Authority (Authority), which was formed under a joint exercise of powers agreement (Agreement) between the District and the Independent Cities Finance Authority (ICFA). The Authority was established on November 1, 2011, to provide for the financing and refinancing of capital improvement projects of the District. The Authority is a component unit of the District because the District's Board of Directors serves as the Board of Directors of the Authority and the District is financially accountable for the Authority. The Agreement provides that the liabilities of the Authority do not constitute liabilities of the District or ICFA, but requires the District and Authority to indemnify the ICFA for any and all costs and liabilities arising directly or indirectly from the Authority's activities. The District has a residual interest with any property held by the Authority upon its dissolution. The Activity of the Authority is reported on a blended basis with the Water Fund. The Authority does not issue separate financial statements.

The District's financial statements also include Community Facilities District (CFD) No. 2007-1 (Cement Hill) and Assessment District (AD) 2008-1 (Rodeo Flat), which are separate special districts formed under the California Government Code. CFD No. 2007-1 and AD 2008-1 are considered blended component units of the District because the District's Board of Directors acts as the Board of Directors of, can impose its will on and has a financial benefit relationship with CFD No. 2007-1 and AD 2008-1. The special assessments collected from property owners within CFD No. 2007-1 and AD 2008-1 are to repay the District for capital improvements financed by the District. The activity of CFD No. 2007-1 and AD 2008-1 is reported on a blended basis with the Water Fund. CFD No. 2007-1 and AD 2008-1 do not issue separate financial statements.

B. Measurement Focus, Basis of Accounting and Presentation

The basic financial statements of the District have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District applies all applicable GASB pronouncements in its accounting and reporting.

The accounts of the District are organized and operated as proprietary funds consisting of three enterprise funds and one internal service fund and custodial funds. The operation of a fund is accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses.

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal service funds are used to account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis.

Custodial funds are used to account for assets held by the District in a fiduciary capacity for improvement districts and retirees. The improvement districts were established to allow certain property owners to finance improvements incurred by the District. No resources have been collected by the Improvement Districts for several years and the assets of the Improvement Districts were distributed to the Water fund during the year ended December 31, 2023 as reimbursement for the completed projects. The financial activities of the custodial funds are excluded from the District-wide financial statements but are presented in separate Fiduciary Fund financial statements.

The financial statements of proprietary funds and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The District may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The District's policy is to first apply restricted grant resources to such programs, followed by unrestricted resources if necessary. Restricted amounts are considered to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available.

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services, connection and installation fees, electric power sales and recreation fees. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities.

The District reports three major funds, Water, Electric, and Recreation, which are all accounted for as enterprise funds. The Water fund is used to account for the District's general water operations for both raw and treated water systems, the Electric fund is used to account for the District's hydroelectric operations, and the Recreation fund is used to account for the District's general recreation operations.

C. Cash and Cash Equivalents

For purposes of the statement of cash flows the District defines cash and cash equivalents to include all cash and temporary investments with original maturities of three months or less from the date of acquisition, including restricted assets, and all pooled deposits.

D. Restricted Assets

Certain capital expansion fees as well as certain resources set aside for debt repayment, improvements financed with special assessments, contract retention and unspent bond proceeds, are classified as restricted cash and investments because their use is legally restricted. Restricted cash and investments are not available for general operational expenses.

E. Investments

Investments are stated at fair value. Included in investment income (loss) is the net change in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) of those investments. Measurement of the fair value of investments is based upon quoted market prices.

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Accounts Receivable

Accounts receivable arise from billings to customers for water usage and certain improvements made to customers' property and billings to PG&E and other entities for electric power sales. The District determined that as of December 31, 2023, an allowance for doubtful accounts was not needed, as all amounts are considered collectible. The District also has loans receivable related to connection fees that are paid over a period of time by property owners. When customers in an area that are not connected to the main waterline want to connect, the District must approve a waterline extension project to extend the main waterline into their area. The cost of the extension project is divided between the property owners who will be connected to the new extension, based on the number of parcels which they wish to connect.

G. Inventory

Inventories of materials and supplies are stated at the lower of average cost or net realizable value. Physical inventories are taken on a cycle basis each month throughout the year.

H. Prepaid Expenses

Prepaid expenses are for payments made by the District in the current year to provide services occurring in the subsequent fiscal year and mainly consisted of prepaid insurance at December 31, 2023.

I. Deposits

The District's deposits consist of funds held on account with various entities for several purposes. The deposits include funds held with the property management firm for the District's rental properties and tenants' deposits, Health Reimbursement Arrangement (HRA) claims administrator to process employee and retiree debit card HRA transactions and a deposit on the purchase of equipment.

J. Capital Assets

Capital assets are stated at historical cost if purchased or constructed. The District capitalizes all assets with a historical cost of at least \$5,000 for machinery and equipment and \$75,000 for other projects. The cost of additions to utility plant and major replacements of property are capitalized. Capitalized costs include material, direct labor, transportation and such indirect items as engineering, supervision, and employee fringe benefits, if material. Contributed property is recorded at acquisition value at the date of donation. Repairs, maintenance and minor replacements of capital assets are expensed.

Capital assets are depreciated using the straight line method, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The District's water rights and FERC license are intangible assets. The District has assigned the useful lives listed below to capital assets and intangible assets:

| Description | Estimated Life |
|---|----------------|
| Land | N/A |
| Intangibles (rights, easements, licenses) | N/A |
| Buildings and structures | 40 years |
| Equipment, tools, furniture | 5 -7 years |
| Vehicles | 5 years |
| Infrastructure | 50 - 100 years |

K. Budgets and Budgetary Accounting

The District adopts an annual budget in December each year. The budget is subject to supplemental appropriations throughout its term in order to provide flexibility to meet changing needs and conditions. In accordance with Budget Amendment Policy 3100, the General Manager has authority up to \$600,000 to perform transfers, increases or decreases for a fiscal year (Level I). The Administrative Practices Committee has authority up to \$1,000,000 to perform transfers, increases or decreases for a fiscal year (Level II). The Board has authority to perform all amendments over these lower levels (Level III). All budget amendments authorizing additional full-time equivalents (FTE's) shall go before the full Board.

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Property taxes

Nevada and Placer counties assess, bill, collect and apportion all property taxes for the District and remit "Teeter Plan" collections periodically. Taxes are assessed for each July 1 to June 30 fiscal year, payable in two equal installments due by November 1 and February 1 and become delinquent December 10 and April 10, each year. Taxes collected by the counties prior to January 1 and apportioned during January have been accrued by the District at year-end, as applicable.

M. Bond Discounts, Premiums, Issuance Costs and Deferred Amounts on Refunding

Bond discounts, premiums, and deferred amounts on refunding are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond discounts and premiums. Deferred amounts on refunding are reported as deferred outflows of resources on the balance sheet. Issuance costs are expensed when paid.

N. Compensated Absences

The liability for employee accrued vacation, sick leave and compensatory time off (CTO) is computed annually at year-end, and the change in the liability is charged to expense in the applicable funds for that year. Based on the memorandum of understanding, employees earn eight hours of sick leave per month. Upon retirement, voluntary termination, or death, the District pays one-half of the number of days earned.

Employees accumulate vacation at varying rates depending on longevity. They are entitled to carry forward up to a maximum of 52 days accrued vacation depending on their individual annual accrual rate.

Based on the memorandum of understanding, at the sole discretion of the District, employees may convert annually, overtime hours equivalent to 160 hours of CTO. CTO accrual balances per employee may not exceed 80 hours.

O. Health Reimbursement Arrangement

The District provides a health reimbursement arrangement (HRA). Eligible participants are regular employees enrolled in a District offered health care plan, eligible dependents, and others as defined by the Nevada Irrigation District Health Reimbursement Arrangement. The District provides a certain medical benefit dollar amount per type of health insurance enrollment: employee only, employee plus one, or family. Employees choose their medical plan and the monthly benefit amount is applied to the medical plan premium. The difference between the benefit and the medical premium is either 1) deducted from pay if the premium is more than the benefit, or 2) contributed to the HRA if the benefit is greater than the premium. HRA benefits are extended to retirees. Eligible participants are allowed to submit qualifying medical care expenses (as defined by Internal Revenue Code 213(d)) for reimbursement. The District does not have a trust where the HRA assets are set aside for the benefit of employees. Consequently, the HRA assets are available to the District's creditors.

P. Pension Plan

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

Q. Other Postemployment Benefits (OPEB) Plan

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources and OPEB expense, information about the fiduciary net position of the plan held by CalPERS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments, if applicable, are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at purchase of one year or less, which are reported at cost.

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Deferred Outflows and Inflows of Resources

The statement of net position includes a separate section for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expenditure/expense) or an inflow of resources (revenue) until the earnings process is complete. Deferred outflows and inflows of resources include amounts deferred related to the District's pension plan as described in Note 8 and OPEB Plan as described in Note 9.

S. Leases

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. At the commencement of a lease, the District initially measures the lease receivable or lease payable at the present value of payments expected to be received or made during the lease term. When the initial measurement of the lease receivable or lease payable is greater than one percent of the capital assets of the applicable fund, the District records a lease receivable and corresponding deferred inflow of resources or lease payable and corresponding right-of-use asset. At December 31, 2023, the District had no leases that met the District's threshold.

T. Subscription-Based Information Technology Arrangements (SBITA)

A SBITA is defined as a contractual agreement that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT asset), as specified in the contract for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. At December 31, 2023, the District had no SBITAs that met the District's threshold.

U. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

V. Implementation of Government Accounting Standards Board Statements

Effective January 1, 2023, the District implemented the following accounting and financial reporting standards:

Governmental Accounting Standards Board Statement No. 94

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. There was no impact to the District's financial position as a result of adoption.

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Accounting Standards Board Statement No. 96

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. This Statement 1) defines the term SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and 4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITA are based on the standards established in Statement No. 87, *Leases*, as amended. As part of the implementation of the Statement, the District reviewed its inventory of subscription-based information technology agreements and determined that none met the District's established threshold for recording SBITAs under this Statement. There was no impact to the District's financial position as a result of adoption.

W. Future Government Accounting Standards Board Statements

These statements are not effective until January 1, 2024 or later and may be applicable for the District. However, the District has not determined what impact, if any, these pronouncements will have on the financial statements.

Governmental Accounting Standards Board Statement No. 99

In April 2022, GASB issued Statement No. 99, Omnibus 2022. The primary objectives of the Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement related to leases, PPPs, and SBITAs are effective for the District's fiscal year ending December 31, 2023 and the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for the District's fiscal year ending December 31, 2024.

Governmental Accounting Standards Board Statement No. 100

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62*. The primary objective of the Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for the District's fiscal year ending December 31, 2024.

Governmental Accounting Standards Board Statement No. 101

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for the District's fiscal year ending December 31, 2024.

Government Accounting Standards Board Statement No. 102

In December 2023, GASB issued Statement No, 102, *Certain Risk Disclosures*. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. A *concentration* is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. The requirements of this statement are effective for the District's fiscal year ending December 31, 2025.

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Accounting Standards Board Statement No. 103

In April 2024, GASB issued Statement No. 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. This Statement also addresses certain application issues. The requirements of this statement are effective for the District fiscal year ending December 31, 2026.

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of December 31, 2023 were reported in the financial statements as follows:

| | |
|--------------------------------|-----------------------|
| Water | \$ 51,653,387 |
| Electric | 72,166,381 |
| Recreation | 2,038,082 |
| Internal service | <u>1,728,315</u> |
| Total Business-type Activities | <u>127,586,165</u> |
| Custodial fund | <u>82,685</u> |
| Total Cash and Investments | <u>\$ 127,668,850</u> |

Cash and investments as of December 31, 2023 consisted of the following:

Cash and cash equivalents:

| | |
|---|-------------------|
| Unrestricted: | |
| Cash on hand | \$ 4,450 |
| Unrestricted deposits in financial institutions | <u>13,120,852</u> |
| Total unrestricted cash and cash equivalents | <u>13,125,302</u> |
| Restricted: | |
| Restricted deposits in financial institutions | <u>788,063</u> |
| Total restricted cash and cash equivalents | <u>788,063</u> |
| Total cash and cash equivalents | <u>13,913,365</u> |

Investments:

| | |
|--|-----------------------|
| Unrestricted: | |
| Investments in Local Agency Investment Fund (LAIF) | 6,212,135 |
| U.S. Agency securities | 89,471,796 |
| Negotiable certificates of deposit | 1,164,323 |
| Medium term corporate notes | <u>7,136,833</u> |
| Total unrestricted investments | <u>103,985,087</u> |
| Restricted: | |
| Investments in Local Agency Investment Fund (LAIF) | <u>9,770,398</u> |
| Total restricted investments | <u>9,770,398</u> |
| Total investments | <u>113,755,485</u> |
| Total cash and investments | <u>\$ 127,668,850</u> |

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

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

The District's investment policy and the California Government Code allow the District to invest in the following, provided the credit ratings of the issuers are acceptable to the District and approved percentages and maturities are not exceeded. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of the debt agreement and not the provisions of the California Government Code or the District's investment policy.

| <u>Authorized Investment Type</u> | <u>Maximum Maturity</u> | <u>Minimum Credit Quality</u> | <u>Maximum Percentage of Portfolio</u> | <u>Maximum Investment in One Issuer</u> |
|-------------------------------------|-------------------------|-------------------------------|--|---|
| U.S. Treasury obligations | 5 Years | N/A | None | None |
| U.S. Agency securities | 5 Years | N/A | None | None |
| Collateralized mortgage obligations | 5 Years | N/A | None | None |
| Bankers' acceptances | 180 days | N/A | 40% | 30% |
| Commercial paper | 270 days | A-1 | 25% | 10% |
| Negotiable certificates of deposit | 5 Years | A | 30% | 30% |
| Local Agency Investment Fund (LAIF) | N/A | N/A | None | \$75,000,000 |
| Municipal bonds | 5 Years | A | 30% | 30% |
| Medium term corporate notes | 5 Years | A | 30% | 30% |
| Money market mutual funds | N/A | AAA | 15% | 15% |
| Mortgage pass-through security | 5 Years | A | 20% | 20% |

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The debt agreements contain certain provisions that address interest rate risk, credit risk, and concentration of credit risk. The permitted investments, maximum percentage of the portfolio and maximum investment in one issuer specified in debt agreements are identical to the table above with the exception of debt agreements not allowing investments in repurchase agreements. In addition, the debt agreements require obligations of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and money market mutual funds to be rated AAA by the applicable national statistical rating agency.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of December 31, 2023:

| <u>Investment Type</u> | <u>Interest Rates</u> | <u>Investment Maturities (in years)</u> | | | |
|------------------------------------|-----------------------|---|----------------------|----------------------|----------------------|
| | | <u>Fair Value</u> | <u>Less than 1</u> | <u>1-2</u> | <u>3-5</u> |
| LAIF | Variable | \$ 15,982,533 | \$ 15,982,533 | \$ - | \$ - |
| U.S. Agency securities | .32% - 1.13% | 89,471,796 | 9,066,710 | 29,271,525 | 51,133,561 |
| Negotiable certificates of deposit | .65% - 1.15% | 1,164,323 | 484,465 | - | 679,858 |
| Medium term corporate notes | 1.20% - 5.80% | <u>7,136,833</u> | - | - | <u>7,136,833</u> |
| | | <u>\$ 113,755,485</u> | <u>\$ 25,533,708</u> | <u>\$ 29,271,525</u> | <u>\$ 58,950,252</u> |

The District recognizes all investments with maturities less than 1 year, besides investments in LAIF, as non-current investments because the District plans to hold these investments to maturity.

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of December 31, 2023 for each investment type.

| Investment Type | Total | Ratings as of fiscal year end | | |
|------------------------------------|-----------------------|-------------------------------|-----------|-----------|
| | | Minimum Legal Rating | Moody's | S&P |
| LAIF | \$ 15,982,533 | N/A | Not rated | Not rated |
| U.S. Agency securities | 89,471,796 | N/A | Aaa | AA+ |
| Negotiable certificates of deposit | 1,164,323 | A | Not rated | Not rated |
| Medium term corporate notes | 3,352,579 | A | Not rated | Not rated |
| Medium term corporate notes | 1,571,329 | N/A | Aaa | AA+ |
| Medium term corporate notes | 1,513,988 | A | Aa3 | A+ |
| Medium term corporate notes | 698,937 | A | A1 | A+ |
| | <u>\$ 113,755,485</u> | | | |

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investor's investment in a single issuer. To limit this risk, the District places a limit on the amount that can be invested in any one issuer to the amount stipulated by the California Government Code. As of December 31, 2023, the District had the following investments which each represented more than 5% of its total investment in any one issuer mutual funds and external investment pools):

| Issuer | Investment Type | Amount | % |
|--------------------------|----------------------|--------------|------|
| FHLMCMTN | U.S. Agency security | \$ 6,051,975 | 5 % |
| Federal Farm Credit Bank | U.S. Agency security | 23,960,700 | 21 % |
| Federal Home Loan Bank | U.S. Agency security | 48,509,397 | 43 % |

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At December 31, 2023, the carrying amount of the District's deposits was \$13,908,915 and the balance in financial institutions was \$14,270,211. Of the balance in financial institutions, \$853,023 was covered by federal depository insurance and \$13,417,188 was collateralized by securities pledged by the financial institution.

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Investment in LAIF

The District is a voluntary participant in LAIF that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro rata share of the fair value provided by LAIF for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on an amortized cost basis.

Investment Valuation

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

Following is a description of the valuation methodologies used to estimate the fair value of investments. There have been no changes in the valuation techniques used at December 31, 2023. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while District management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

U.S. Agency securities, Negotiable Certificates of Deposit, and Medium Term Corporate Notes: Fair values are based on pricing models based in market data, such as matrix or model pricing from outside pricing services. These valuation techniques include matrix pricing, market corroborated pricing, inputs such as yield curves and indices and reference data including market research publications.

The following table sets forth by level, within the fair value hierarchy, the District's assets at fair value as of December 31, 2023.

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|------------------------------------|----------------|----------------------|----------------|-----------------------|
| LAIF | \$ - | \$ - | \$ - | \$ 15,982,533 |
| U.S Agency securities | - | 89,471,796 | - | 89,471,796 |
| Negotiable certificates of deposit | - | 1,164,323 | - | 1,164,323 |
| Medium term corporate notes | - | <u>7,136,833</u> | - | <u>7,136,833</u> |
| Total assets at fair value | <u>\$ -</u> | <u>\$ 97,772,952</u> | <u>\$ -</u> | <u>\$ 113,755,485</u> |

NOTE 3: AMOUNTS DUE FROM CFD 2007-1 AND AD 2008-1

At December 31, 2023, the District had the following amounts due from Community Facilities District (CFD) 2007-1 (Cement Hill) and Assessment District (AD) 2008-1 (Rodeo Flat):

| | |
|--------------------------|---------------------|
| CFD 2007-1 (Cement Hill) | \$ 1,643,518 |
| AD 2008-1 (Rodeo Flat) | <u>334,400</u> |
| Total | <u>\$ 1,977,918</u> |

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 3: AMOUNTS DUE FROM CFD 2007-1 AND AD 2008-1 (CONTINUED)

The \$1,643,518 due from CFD 2007-1 represents the CFD's share of the State loan used to finance the construction of the Cement Hill pump zone extension. The CFD is responsible for approximately half of the repayment of this loan. The full amount of the State loan is reflected as a liability in the Water fund. The \$334,400 due from AD 2008-1 represents the AD's share of the 2008 Rodeo Flat Improvement Bonds used to finance certain water system improvements made by the District in the Rodeo Flat area. Because the CFD and AD are considered blended component units of the District, the amounts due to the District and the liabilities in CFD 2007-1 and AD 2008-1 are eliminated with a consolidating entry and the amounts are not reported in the Water fund. However, the amounts represent long-term liabilities from the property owners within CFD 2007-1 and AD 2008-1 to the District financed with special tax assessments.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 was as follows:

| | <u>January 1, 2023</u> | <u>Additions</u> | <u>Retirements</u> | <u>Adjustments and Transfers</u> | <u>December 31, 2023</u> |
|---|----------------------------|-----------------------|---------------------|--------------------------------------|------------------------------|
| Water Fund | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 22,807,926 | \$ - | \$ - | \$ 102,040 | \$ 22,909,966 |
| Bear River water rights | 681,644 | - | - | - | 681,644 |
| Construction in progress | <u>34,457,240</u> | <u>4,812,570</u> | <u>(132,440)</u> | <u>(12,186,738)</u> | <u>26,950,632</u> |
| Total capital assets not being depreciated | <u>57,946,810</u> | <u>4,812,570</u> | <u>(132,440)</u> | <u>(12,084,698)</u> | <u>50,542,242</u> |
| Capital assets being depreciated: | | | | | |
| Water plant in service | 313,576,618 | - | - | 2,026,950 | 315,603,568 |
| Electric plant in service | 222,672 | - | - | 1,410,871 | 1,633,543 |
| Structures and improvements | 19,328,077 | - | - | 468,910 | 19,796,987 |
| Dams and reservoirs | 42,976,779 | - | - | 8,177,967 | 51,154,746 |
| General equipment | 11,133,864 | 251,803 | (172,781) | - | 11,212,886 |
| Transportation equipment | <u>6,711,922</u> | <u>400,959</u> | <u>(75,745)</u> | <u>(144,310)</u> | <u>6,892,826</u> |
| Total capital assets being depreciated | <u>393,949,932</u> | <u>652,762</u> | <u>(248,526)</u> | <u>11,940,388</u> | <u>406,294,556</u> |
| Less accumulated depreciation: | | | | | |
| Water plant in service | (120,567,296) | (6,688,566) | - | - | (127,255,862) |
| Electric plant in service | (35,627) | (32,671) | - | - | (68,298) |
| Structures and improvements | (4,667,024) | (470,962) | - | - | (5,137,986) |
| Dams and reservoirs | (10,161,453) | (489,410) | - | - | (10,650,863) |
| General equipment | (6,591,110) | (669,691) | 162,052 | - | (7,098,749) |
| Transportation equipment | <u>(4,027,533)</u> | <u>(495,290)</u> | <u>68,426</u> | <u>144,310</u> | <u>(4,310,087)</u> |
| Total accumulated depreciation | <u>(146,050,043)</u> | <u>(8,846,590)</u> | <u>230,478</u> | <u>144,310</u> | <u>(154,521,845)</u> |
| Total capital assets being depreciated, net | <u>247,899,889</u> | <u>(8,193,828)</u> | <u>(18,048)</u> | <u>12,084,698</u> | <u>251,772,711</u> |
| Capital assets, net | <u>\$ 305,846,699</u> | <u>\$ (3,381,258)</u> | <u>\$ (150,488)</u> | <u>\$ -</u> | <u>\$ 302,314,953</u> |

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 4: CAPITAL ASSETS (CONTINUED)

| | <u>January 1, 2023</u> | <u>Additions</u> | <u>Retirements</u> | <u>Transfers</u> | <u>December 31, 2023</u> |
|---|----------------------------|---------------------|---------------------|--------------------|------------------------------|
| Electric Fund | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 46,239,423 | \$ - | \$ - | \$ - | \$ 46,239,423 |
| Power rights | 1,568,942 | - | - | - | 1,568,942 |
| Construction in progress | <u>7,347,277</u> | <u>2,951,802</u> | <u>(65,498)</u> | <u>(1,904,702)</u> | <u>8,328,879</u> |
| Total capital assets not being depreciated | <u>55,155,642</u> | <u>2,951,802</u> | <u>(65,498)</u> | <u>(1,904,702)</u> | <u>56,137,244</u> |
| Capital assets being depreciated: | | | | | |
| Electric plant in service | 54,802,997 | - | - | 945,456 | 55,748,453 |
| Bowman power project | 2,887,922 | - | - | - | 2,887,922 |
| Structures and improvements | 4,984,473 | - | - | 95,892 | 5,080,365 |
| Dams and reservoirs | 32,220,016 | - | - | 863,354 | 33,083,370 |
| General equipment | 4,630,967 | 227,020 | - | - | 4,857,987 |
| Transportation equipment | <u>2,183,992</u> | <u>313,009</u> | <u>(125,068)</u> | <u>(22,589)</u> | <u>2,349,344</u> |
| Total capital assets being depreciated | <u>101,710,367</u> | <u>540,029</u> | <u>(125,068)</u> | <u>1,882,113</u> | <u>104,007,441</u> |
| Less accumulated depreciation: | | | | | |
| Electric plant in service | (37,310,630) | (956,042) | - | - | (38,266,672) |
| Bowman power project | (2,232,425) | (54,625) | - | - | (2,287,050) |
| Structures and improvements | (2,690,051) | (125,820) | - | - | (2,815,871) |
| Dams and reservoirs | (15,014,644) | (389,610) | - | - | (15,404,254) |
| General equipment | (2,228,612) | (325,453) | - | - | (2,554,065) |
| Transportation equipment | <u>(1,132,440)</u> | <u>(217,460)</u> | <u>87,452</u> | <u>21,783</u> | <u>(1,240,665)</u> |
| Total accumulated depreciation | <u>(60,608,802)</u> | <u>(2,069,010)</u> | <u>87,452</u> | <u>21,783</u> | <u>(62,568,577)</u> |
| Total capital assets being depreciated, net | <u>41,101,565</u> | <u>(1,528,981)</u> | <u>(37,616)</u> | <u>1,903,896</u> | <u>41,438,864</u> |
| Capital assets, net | <u>\$ 96,257,207</u> | <u>\$ 1,422,821</u> | <u>\$ (103,114)</u> | <u>\$ (806)</u> | <u>\$ 97,576,108</u> |

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 4: CAPITAL ASSETS (CONTINUED)

| | <u>January 1, 2023</u> | <u>Additions</u> | <u>Retirements</u> | <u>Transfers</u> | <u>December 31, 2023</u> |
|---|----------------------------|---------------------|--------------------|------------------|------------------------------|
| Recreation Fund | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 27,900,659 | \$ - | \$ - | \$ - | \$ 27,900,659 |
| Total capital assets not being depreciated | <u>27,900,659</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>27,900,659</u> |
| Capital assets being depreciated: | | | | | |
| General plant | 17,843 | - | - | - | 17,843 |
| Structures and improvements | 13,293,069 | - | - | - | 13,293,069 |
| General equipment | 1,055,143 | - | - | - | 1,055,143 |
| Transportation equipment | <u>158,614</u> | <u>-</u> | <u>(85,981)</u> | <u>166,900</u> | <u>239,533</u> |
| Total capital assets being depreciated | <u>14,524,669</u> | <u>-</u> | <u>(85,981)</u> | <u>166,900</u> | <u>14,605,588</u> |
| Less accumulated depreciation: | | | | | |
| General plant | (1,785) | (357) | - | - | (2,142) |
| Structures and improvements | (7,962,532) | (243,238) | - | - | (8,205,770) |
| General equipment | (329,985) | (49,451) | - | - | (379,436) |
| Transportation equipment | <u>(353,133)</u> | <u>(1,645)</u> | <u>85,981</u> | <u>(166,093)</u> | <u>(434,890)</u> |
| Total accumulated depreciation | <u>(8,647,435)</u> | <u>(294,691)</u> | <u>85,981</u> | <u>(166,093)</u> | <u>(9,022,238)</u> |
| Total capital assets being depreciated, net | <u>5,877,234</u> | <u>(294,691)</u> | <u>-</u> | <u>807</u> | <u>5,583,350</u> |
| Capital assets, net | <u>\$ 33,777,893</u> | <u>\$ (294,691)</u> | <u>\$ -</u> | <u>\$ 807</u> | <u>\$ 33,484,009</u> |

Depreciation expense for the year ended December 31, 2023 was charged to the different activities as follows:

| | |
|------------|----------------------|
| Water | \$ 8,846,590 |
| Electric | 2,069,010 |
| Recreation | <u>294,691</u> |
| | <u>\$ 11,210,291</u> |

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 5: LONG TERM LIABILITIES

During the year ended December 31, 2023, the following changes occurred in long-term liabilities:

| | <u>January 1, 2023</u> | <u>Additions</u> | <u>Reductions</u> | <u>December 31, 2023</u> | <u>Current Portion</u> |
|--|----------------------------|---------------------|-----------------------|------------------------------|----------------------------|
| Revenue Bonds, Series 2016A | \$ 16,470,000 | \$ - | \$ (1,490,000) | \$ 14,980,000 | \$ 1,565,000 |
| Revenue Bonds, Series 2020A | 12,265,000 | - | (640,000) | 11,625,000 | 670,000 |
| State of California loan - Cement Hill | <u>3,742,594</u> | <u>-</u> | <u>(528,716)</u> | <u>3,213,878</u> | <u>540,859</u> |
| Total | 32,477,594 | - | (2,658,716) | 29,818,878 | 2,775,859 |
| Unamortized premiums | <u>4,742,883</u> | <u>-</u> | <u>(461,755)</u> | <u>4,281,128</u> | <u>461,755</u> |
| Total Bonds and Loans | <u>37,220,477</u> | <u>-</u> | <u>(3,120,471)</u> | <u>34,100,006</u> | <u>3,237,614</u> |
| Health reimbursement arrangement (HRA) liability | 574,888 | 462,280 | (448,106) | 589,062 | 294,531 |
| Compensated absences | <u>3,175,015</u> | <u>4,342,916</u> | <u>(4,316,274)</u> | <u>3,201,657</u> | <u>820,835</u> |
| Total HRA and Compensated Absences | <u>3,749,903</u> | <u>4,805,196</u> | <u>(4,764,380)</u> | <u>3,790,719</u> | <u>1,115,366</u> |
| Total | <u>\$ 40,970,380</u> | <u>\$ 4,805,196</u> | <u>\$ (7,884,851)</u> | <u>\$ 37,890,725</u> | <u>\$ 4,352,980</u> |

A description of the long-term liabilities at December 31, 2023 follows:

Revenue Bonds (Direct Placements)

In April 2016, the Nevada Irrigation District Joint Powers Authority sold \$20,210,000 of Revenue Bonds, Series 2016A, with interest rates ranging from 4% to 5%. The proceeds were used to finance the acquisition of the Combie Phase 1 Canal and Bear River Siphon Replacement Project; preliminary engineering and environmental studies related to the Centennial Reservoir; and to acquire certain land and interest in land for mitigation of various District projects. Principal payments ranging from \$550,000 to \$2,190,000 are due on March 1 through 2031. Interest payments ranging from \$43,800 to \$483,800 are due on March 1 and September 1 through March 1, 2032.

In December 2020, the Nevada Irrigation District Joint Powers Authority issued \$15,015,000 of Revenue Bonds, Series 2020A, with interest rates ranging from 2% to 5%. The proceeds were used to refund the outstanding Series 2011A Revenue Bonds. Principal payments ranging from \$640,000 to \$1,430,000 are due on March 1 through 2036. Interest payments ranging from \$16,575 to \$282,725 are due on March 1 and September 1 through March 1, 2036.

Default provisions on all Revenue Bonds include acceleration of all principal and interest payments upon default, making them immediately due and payable, and assessing a default interest rate of 8% per annum on the overdue principal.

State of California Loan - Cement Hill (Direct Borrowing)

In October 2007, the District signed a \$9,768,858 agreement with the State of California Department of Public Health to finance construction of the Cement Hill pump zone extension to meet the California safe drinking water standards. Interest is at 2.2836%. Principal payments ranging from \$72,320 to \$301,324 and interest payments ranging from \$826 to \$86,323 are due semi-annually on January 1 and July 1 through 2030.

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 5: LONG TERM LIABILITIES (CONTINUED)

Principal and interest maturities of long-term debt are as follows:

| Years ending December 31, | Revenue Bonds, Series 2016A | | | Revenue Bonds, Series 2020A | | |
|------------------------------|-----------------------------|---------------------|----------------------|-----------------------------|---------------------|----------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2024 | \$ 1,565,000 | \$ 666,975 | \$ 2,231,975 | \$ 670,000 | \$ 450,700 | \$ 1,120,700 |
| 2025 | 1,650,000 | 586,600 | 2,236,600 | 700,000 | 416,450 | 1,116,450 |
| 2026 | 1,730,000 | 502,100 | 2,232,100 | 745,000 | 380,325 | 1,125,325 |
| 2027 | 1,820,000 | 229,425 | 2,049,425 | 780,000 | 342,200 | 1,122,200 |
| 2028 | 1,915,000 | 183,925 | 2,098,925 | 815,000 | 302,325 | 1,117,325 |
| 2029 - 2033 | 6,300,000 | 715,225 | 7,015,225 | 4,705,000 | 894,175 | 5,599,175 |
| 2034 - 2036 | - | - | - | 3,210,000 | 146,550 | 3,356,550 |
| | <u>\$ 14,980,000</u> | <u>\$ 2,884,250</u> | <u>\$ 17,864,250</u> | <u>\$ 11,625,000</u> | <u>\$ 2,932,725</u> | <u>\$ 14,557,725</u> |
| | | | | | | |
| Years ending December 31, | State Loan | | | Total | | |
| | Principal | Interest | Total | Principal | Interest | Total |
| 2024 | \$ 540,859 | \$ 70,322 | \$ 611,181 | \$ 2,775,859 | \$ 1,187,997 | \$ 3,963,856 |
| 2025 | 553,280 | 57,900 | 611,180 | 2,903,280 | 1,060,950 | 3,964,230 |
| 2026 | 565,987 | 45,193 | 611,180 | 3,040,987 | 927,618 | 3,968,605 |
| 2027 | 578,986 | 32,195 | 611,181 | 3,178,986 | 603,820 | 3,782,806 |
| 2028 | 592,283 | 18,898 | 611,181 | 3,322,283 | 505,148 | 3,827,431 |
| 2029 - 2033 | 382,483 | 5,295 | 387,778 | 11,387,483 | 1,614,695 | 13,002,178 |
| 2034 - 2036 | - | - | - | 3,210,000 | 146,550 | 3,356,550 |
| | <u>\$ 3,213,878</u> | <u>\$ 229,803</u> | <u>\$ 3,443,681</u> | <u>\$ 29,818,878</u> | <u>\$ 6,046,778</u> | <u>\$ 35,865,656</u> |

Pledged Revenues:

The District has pledged all water system revenues, all hydroelectric revenues, all property taxes, and any other amounts not restricted by statute or otherwise, net of specified operating expenses to repay its Revenue bonds, Series 2020A and 2016A in the original amounts of \$15,015,000 and \$20,210,000, respectively. Net revenues of the District, as defined, are required to equal 125% of the debt service payable in each fiscal year. Proceeds of the Bonds were used to refund certain debt issuances as described above and to fund acquisition improvements to the District's water systems. Annual principal and interest payments on the Bonds are expected to require approximately 125% of net revenues. Total principal and interest remaining to be paid on the Bonds was \$32,421,975 at December 31, 2023. Cash basis principal and interest paid on the Bonds was \$3,356,800 and total District net revenues calculated in accordance with the covenants for the Bonds was \$38,368,845 during the year ending December 31, 2023.

NOTE 6: PRIOR ADVANCE REFUNDING

The District advance refunded \$17,145,000 of outstanding Revenue Bonds, Series 2011A, by depositing the net proceeds from the issuance of the Revenue Bonds, Series 2020A, in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the Revenue Bonds, Series 2011A, are considered defeased and the trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

The advance refunding resulted in a reduction of total future debt service payments and an economic gain (difference between the present values of the old and new debt service payments) that is reported as a deferred inflow of resources and is being amortized over the life of the new debt. Amortization expense for the year ended December 31, 2023 totaled \$23,643. At December 31, 2023, \$305,741 was reported as deferred amount on refunding.

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 7: NET POSITION

Net position is the excess of all the District's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources. Net position is divided into three categories as follows:

Net investment in capital assets describes the portion of net position which is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets, excluding unspent proceeds.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the District cannot unilaterally alter. These principally include facility capacity fees received for use on capital projects, fees charged for the provision of future water resources and debt service reserve funds.

Unrestricted describes the portion of net position which is not restricted as to use.

Designations of unrestricted net position may be imposed by the Board of Directors to reflect future spending plans or concerns about the availability of future resources. Designations may be modified, amended or removed by Board action. They are reported as part of the District's unrestricted net position.

Although the Water fund does not have sufficient unrestricted net position to cover all of the designated balances, the Water fund has sufficient cash balances.

The District's unrestricted net position consists of the following at December 31, 2023:

| | <u>Water</u> | <u>Electric</u> | <u>Recreation</u> | <u>Total Enterprise Funds</u> | <u>Internal Service Fund</u> |
|--|----------------------|----------------------|---------------------|---------------------------------------|----------------------------------|
| Designated | | | | | |
| Accrued leave | \$ 250,000 | \$ 250,000 | \$ - | \$ 500,000 | \$ - |
| Operating reserve | 20,667,420 | 10,400,475 | 1,682,052 | 32,749,947 | - |
| Capital improvement replacement reserve | 22,000,000 | - | - | 22,000,000 | - |
| Hydroelectric relicense | - | 35,000,000 | - | 35,000,000 | - |
| Capital improvement reserve | <u>-</u> | <u>65,000,000</u> | <u>-</u> | <u>65,000,000</u> | <u>-</u> |
| Total Designated | <u>42,917,420</u> | <u>110,650,475</u> | <u>1,682,052</u> | <u>155,249,947</u> | <u>-</u> |
| Undesignated | <u>(9,772,124)</u> | <u>(101,577,843)</u> | <u>(2,620,094)</u> | <u>(113,970,061)</u> | <u>(3,415,700)</u> |
| Total Unrestricted Net Position | <u>\$ 33,145,296</u> | <u>\$ 9,072,632</u> | <u>\$ (938,042)</u> | <u>\$ 41,279,886</u> | <u>\$ (3,415,700)</u> |

The Board has made designations of net position; however, the unrestricted net position balance is not sufficient to cover the designations in any individual fund. The District's reserve policy 3040 does not require the consideration of accruals or the liquidation of long-term liabilities. When considering these amounts, a negative net position occurs within the funds. The District has sufficient cash and investment balances for these designations.

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 8: PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Plan, an agent multiple-employer defined benefit pension plan (Plan), administered by the California Public Employees' Retirement System (CalPERS) which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

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 (52 for PEPRA Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Basic Death Benefit. One agent plan is used for all three of the District's rate plans. The cost-of-living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

The rate plan's provisions and benefits in effect at December 31, 2023, are summarized as follows:

| | Miscellaneous Plan | | |
|---|-------------------------------|---|--------------------------------------|
| | Hired prior to May 1, 2010 | Hired on or after May 1, 2010 and Prior to January 1, 2013 | Hired on or after January 1, 2013 |
| Benefit Formula (at full retirement) | 2.5% at 55 | 2.0% at 55 | 2.0% at 62 |
| Benefit Vesting Schedule | 5 years service | 5 years service | 5 years service |
| Benefit Payments | monthly for life | monthly for life | monthly for life |
| Retirement Age | 50 - 63 | 50 - 63 | 52 - 67 |
| Monthly Benefits, as a % of Eligible Compensation | 2.0% - 2.5% | 1.426% - 2.418% | 1.0% - 2.5% |
| Required Employee Contribution Rate | | | |
| January 1 to December 31 | 8.000% | 7.000% | 8.750% |
| Required Employer Contribution Rate* | | | |
| January 1 to June 30 | 37.57% | 37.57% | 37.57% |
| July 1 to December 31 | 38.90% | 38.90% | 38.90% |

*Employer contribution rate is the sum of the employer normal cost rate and the employer unfunded accrued liability.

Employees Covered

At December 31, 2023, the following employees were covered by the benefit terms for the Miscellaneous Plan:

| | |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefits | 229 |
| Inactive employees entitled to but not yet receiving benefits | 116 |
| Active employees | 189 |
| Total | 534 |

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 8: PENSION PLAN (CONTINUED)

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 the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The District's contributions to the Plan for the year ended December 31, 2023 were \$6,382,081.

B. Net Pension Liability

The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability of the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures.

The District's net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The changes in the net pension liability for the Plan were as follows:

| | <u>Increase (Decrease)</u> | | |
|---|------------------------------------|--|----------------------------------|
| | <u>Total Pension Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Net Pension Liability</u> |
| Balance at July 1, 2022 | \$ <u>156,795,132</u> | \$ <u>100,048,732</u> | \$ <u>56,746,400</u> |
| Changes during the year: | | | |
| Service cost | 3,027,638 | - | 3,027,638 |
| Interest on total pension liability | 10,704,876 | - | 10,704,876 |
| Changes in benefit terms | 136,699 | - | 136,699 |
| Differences between actual and expected experience | 1,214,419 | - | 1,214,419 |
| Contributions - employer | - | 6,389,179 | (6,389,179) |
| Contributions - employee | - | 1,323,202 | (1,323,202) |
| Net investment income | - | 6,271,785 | (6,271,785) |
| Benefit payments, including refunds of employee contributions | (9,033,879) | (9,033,879) | - |
| Administrative expenses | - | (73,571) | 73,571 |
| Net changes | <u>6,049,753</u> | <u>4,876,716</u> | <u>1,173,037</u> |
| Balance at June 30, 2023 | \$ <u>162,844,885</u> | \$ <u>104,925,448</u> | \$ <u>57,919,437</u> |

For the year ended December 31, 2023, the District recognized pension expense of \$8,333,205. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Pension contributions subsequent to the measurement date | \$ 3,219,696 | \$ - |
| Difference between actual and expected experience | 1,102,087 | 578,403 |
| Changes in assumptions | 2,736,397 | - |
| Net difference between projected and actual earning on plan investments | <u>4,874,943</u> | <u>-</u> |
| Total | \$ <u>11,933,123</u> | \$ <u>578,403</u> |

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 8: PENSION PLAN (CONTINUED)

\$3,219,696 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 ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Fiscal Year Ended December 31, | | | |
|-----------------------------------|----|-----------|--|
| 2024 | \$ | 2,207,949 | |
| 2025 | | 1,660,335 | |
| 2026 | | 4,092,503 | |
| 2027 | | 174,237 | |

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

| | |
|----------------------------------|---|
| Valuation Date | June 30, 2022 |
| Measurement Date | June 30, 2023 |
| Actuarial Cost Method | Entry-age Normal |
| Actuarial Assumptions: | |
| Discount Rate | 6.90% |
| Inflation | 2.30% |
| Salary Increases | Varies by Entry Age and Service |
| Investment Rate of Return | 7.00% net of pension plan investment and administrative expenses, includes inflation |
| Mortality (1) | Derived using CalPERS' membership data for all funds |
| Post Retirement Benefit Increase | The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter. |

(1) The mortality table used was developed based on CalPERS specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include 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 CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Changes in Assumptions

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 8: PENSION PLAN (CONTINUED)

Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted for assumed administrative expenses of 10 basis points.

The expected real rates of return by asset class are as follows:

| <u>Asset Class</u> | <u>Assumed Asset Allocation</u> | <u>Real Return Years 1-10 (a)(b)</u> |
|----------------------------------|---------------------------------|--------------------------------------|
| Global Equity - Cap-weighted | 30.0% | 4.54% |
| Global Equity - Non-Cap weighted | 12.0% | 3.84% |
| Private Equity | 13.0% | 7.28% |
| Treasury | 5.0% | 0.27% |
| Mortgage-backed Securities | 5.0% | 0.50% |
| Investment Grade Corporates | 10.0% | 1.56% |
| High Yield | 5.0% | 2.27% |
| Emerging Market Debt | 5.0% | 2.48% |
| Private Debt | 5.0% | 3.57% |
| Real Assets | 15.0% | 3.21% |
| Leverage | -5.0% | -0.59% |

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021 Asset Liability Management study.

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

The following presents the District's net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's 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:

| | <u>Discount Rate - 1% 5.90%</u> | <u>Current Discount Rate 6.90%</u> | <u>Discount Rate + 1% 7.90%</u> |
|-----------------------|-------------------------------------|--|-------------------------------------|
| Net pension liability | \$79,429,978 | \$57,919,437 | \$40,165,541 |

Pension Plan Fiduciary Net Position

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

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 9: OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description

The District's other postemployment benefits (OPEB) healthcare plan (the Plan) provides medical, life insurance and health reimbursement arrangement (HRA) benefits to employees that retire directly from the District and their eligible dependents, subject to a monthly limitation pursuant to Government Code Section 22892, as amended by AB 2544, under an agent multiple-employer defined benefit plan. Eligibility rules include retirement from the District at age 50 or later with five years of service. The District's Board of Directors has the authority to establish and amend benefit provisions. The District participates in the California Employers Retiree Benefit Trust (CERBT), an irrevocable trust established by CalPERS to fund OPEB. CERBT is administered by CalPERS and is managed by an appointed Board not under the control of the District's Board of Directors. This Trust is not considered a component unit by the District and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CalPERS at P.O. Box 942709, Sacramento CA 94229-2709.

Benefits Provided

Medical benefits for employees hired after May 10, 2012 are subject to vesting requirements of 25% to 50% at 10 to 20 years of service, respectively. Life insurance coverage is available at retirement after attaining age 55 and 10 years of district service and begins at \$50,000 face value that declines to \$12,500 at 75 years of age. HRA benefits include \$1,000 at retirement and \$300 per month for non-Medicare eligible retirees and \$200 per month for Medicare eligible retirees with a maximum account balance of \$8,000.

Funding Policy

The District pays a percentage of the postemployment health care benefits for retirees, their spouses, and their dependents based on the retiree's tier. Surviving spouses and eligible dependents of retirees may elect to continue health care benefits with the same District contribution towards the expense. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. The contribution requirements of the District are established and may be amended by the District's Board of Directors. No contributions are required for plan members of the District. Pre-funding contributions made by the District are at the discretion of the Board of Directors.

Employees Covered

As of the June 30, 2023 measurement date, the following current and former employees were covered by the benefit terms for the Plan:

| | |
|--|---------|
| Inactive employees or beneficiaries currently receiving benefits | 172 |
| Inactive employees entitled to but not yet receiving benefits | 22 |
| Active employees | 194 |
| Total | 388 |

Contributions

The required contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2023, the District paid \$1,162,971 of current retiree premiums and contributed \$328,500 in the form of an implied subsidy retirement premiums, for total contributions of \$1,491,471.

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 9: OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--------------------------|--|
| Valuation Date | June 30, 2021 |
| Measurement Date | June 30, 2023 |
| Actuarial Assumptions: | |
| Discount Rate | 6.25% |
| Inflation | 2.50% |
| Salary Increases | 2.75% annually |
| Medical Trend | <ul style="list-style-type: none"> • Non-Medicare - 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076 • Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 • Medicare (Kaiser) - 4.6% for 2023, decreasing to an ultimate rate of 3.75% in 2076 |
| Mortality Rate | CalPERS 2000 - 2019 Experience Study |
| Mortality Improvement | Mortality projected fully generational with Scale MP-2021 |
| PEMHCA Minimum Increases | 4% annually |

Discount Rate

The discount rate used to measure the net OPEB liability was 6.25% percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the net OPEB liability.

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class at the June 30, 2023 measurement date are summarized in the following table:

| <u>Asset class</u> | <u>Target Allocation CERBT-Strategy 1</u> | <u>Expected Real Rate of Return</u> |
|--|---|---|
| Global Equity | 49.00% | 4.56% |
| Fixed Income | 23.00% | 1.56% |
| TIPS | 5.00% | (0.08)% |
| Commodities | 3.00% | 1.22% |
| REITs | 20.00% | 4.06% |
| Assumed Long-Term Rate of Inflation | | 2.50% |
| Expected Long-Term Net Rate of Return, Rounded | | 6.25% |

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 9: OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Changes in the Net OPEB Liability

Changes in the net OPEB liability were as follows during the year ended December 31, 2023:

| | Increase (Decrease) | | |
|------------------------------|-------------------------|--------------------------------|-----------------------|
| | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability |
| Balance at January 1, 2023 | \$ 27,419,642 | \$ 20,736,018 | \$ 6,683,624 |
| Changes during the year: | | | |
| Service cost | 665,643 | - | 665,643 |
| Interest | 1,708,723 | - | 1,708,723 |
| Contributions - employer | - | 2,785,560 | (2,785,560) |
| Net investment income | - | 1,331,513 | (1,331,513) |
| Benefit payments | (1,491,471) | (1,491,471) | - |
| Administrative expenses | - | (22,113) | 22,113 |
| Net changes | 882,895 | 2,603,489 | (1,720,594) |
| Balance at December 31, 2023 | \$ 28,302,537 | \$ 23,339,507 | \$ 4,963,030 |

For the year ended December 31, 2023, the District recognized OPEB expense of \$1,197,544. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| OPEB contributions subsequent to the measurement date | \$ 744,050 | \$ - |
| Difference between actual and expected experience | 1,486,043 | 1,106,675 |
| Changes in assumptions | 394,681 | 788,742 |
| Net difference between projected and actual earnings on plan investments | 1,382,860 | - |
| Total | \$ 4,007,634 | \$ 1,895,417 |

\$744,050 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

| Fiscal Year Ended June 30, | |
|-------------------------------|-----------|
| 2024 | \$ 80,924 |
| 2025 | (32,327) |
| 2026 | 900,531 |
| 2027 | 274,301 |
| 2028 | 144,738 |

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 9: OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's net OPEB liability, calculated using the discount rate for the Plan, as well as what the District's net OPEB 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:

| | Discount Rate - 1% 5.25% | Current Discount Rate 6.25% | Discount Rate + 1% 7.25% |
|--------------------|---|--|---|
| Net OPEB liability | \$8,647,061 | \$4,963,030 | \$1,916,175 |

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the District's net OPEB liability, calculated using the healthcare cost trend rate for the Plan, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | Rate - 1% | Current Healthcare Cost Trend Rate 4% | Rate + 1% |
|--------------------|------------------|--|------------------|
| Net OPEB liability | \$1,284,669 | \$4,963,030 | \$9,561,723 |

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERBT financial report at www.calpers.ca.gov.

NOTE 10: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District obtains commercial insurance. The District's insurance policies include workers' compensation, property (including flood damage and loss of income), crime, inland marine, auto, general liability, public officials (including cyber and management liability) and excess liability coverage. Deductibles generally range from \$1,000 to \$50,000. Buildings, hydroelectric generating equipment, and personal property are insured for their full replacement cost. Settled claims have not exceeded insurance coverage in any of the past three years.

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 11: INTERFUND AND INTRA-FUND TRANSACTIONS

Interfund Transfers

Interfund transactions between funds are reflected as loans, services provided, reimbursements, or transfers. Loans are reported as receivables or payables as appropriate and are subject to elimination upon consolidation. The District transfers resources among funds in the course of normal operations. Services provided, deemed to be at market or near market rates are accounted for as revenues and expenditures/expenses. Transactions to reimburse a fund for expenditures/expenses initially made from it that are applicable to another fund are recorded as expenditures/expenses in the correct fund and as reductions of expenditures/expenses in the original fund. All other interfund transactions are reported as transfers.

Interfund transfers as of December 31, 2023, were as follows:

| <u>Transfers In</u> | <u>Transfers Out</u> | <u>Total</u> |
|------------------------|----------------------|----------------------|
| Recreation fund | Electric fund | \$ 1,415,000 |
| Internal services fund | Water fund | 6,033,605 |
| Internal services fund | Recreation fund | 634,740 |
| Internal services fund | Electric fund | <u>2,987,956</u> |
| | | <u>\$ 11,071,301</u> |

Intra-fund Transfers

The following table represents intra-fund transfers made during the year ended December 31, 2023:

| <u>Transfers In</u> | <u>Transfers Out</u> | <u>Total</u> |
|-----------------------------------|-------------------------------------|---------------------|
| Water fund | Capacity fee fund | \$ 218,578 |
| Water capital improvement fund | Water fund | 50,600 |
| Recreation fund | Recreation capital improvement fund | 255,000 |
| Electric capital improvement fund | Electric fund | <u>4,500,000</u> |
| | | <u>\$ 5,024,178</u> |

NOTE 12: COMMITMENTS AND CONTINGENCIES

A. Contractual Obligations

At December 31, 2023, the District's significant capital and other project commitments included the following:

| | |
|------------------------------|-------------------|
| Alta Sierra tank replacement | \$ 472,710 |
| SF spillway repair | 1,173 |
| Tarr Canal diver. R/R | 1,061 |
| Tarr Canal encasement | 4,242 |
| Hydro field office | <u>8,574</u> |
| Total | <u>\$ 487,760</u> |

B. Contingencies

The District is a defendant in a number of lawsuits, which have arisen, in the normal course of business including challenges over certain rates and changes. The ultimate outcome of these matters is not presently determinable. In the opinion of management, the amount of ultimate liability with respect to such actions will not materially affect the financial position or results of operations of the District.

**NEVADA IRRIGATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 12: COMMITMENTS AND CONTINGENCIES (CONTINUED)

C. Concentrations

During the year ended December 31, 2023, the District received 89.3% of its total Electric fund revenue from Pacific Gas & Electric Company (PG&E) for power generated from the District's power plants. A significant portion of the power revenue is provided to the Water fund to subsidize operations.

NOTE 13: HYDROELECTRIC POWER AGREEMENTS

The output from Yuba-Bear FRC Project powerhouses and the Combie North Project powerhouse is sold to PG&E under certain contractual arrangements. The output of the Combie South Project powerhouse is sold to the City of Lodi via a contractual arrangement with the Northern California Power Agency. Output from the Scotts Flat Project powerhouse is used to offset District power utility expenses under the Renewable Energy Self Generation Bill Credit Transfer Program. The District has a rated aggregate generation capacity of 82.2 megawatts for its seven hydroelectric powerhouses.

NOTE 14: RELICENSING

The District has been preparing for the relicensing of its Yuba-Bear Hydroelectric Project as required by the Federal Energy Regulatory Commission (FERC). The FERC license on this project expired April 30, 2013. In connection with the relicensing, the District has incurred expenses, entered into service contracts, and established cash reserves to pay for anticipated costs. Costs incurred for the relicensing are being capitalized and will be amortized over the life of the new license once it has been issued by FERC. Total costs capitalized as of December 31, 2023 amounted to \$16,780,441. Until the relicensing process is completed, operations continue under the current FERC license conditions.

NOTE 15: SUBSEQUENT EVENTS

Asset Impairment

The District is in the process of responding to "consequential losses" stemming from PG&E's damaged infrastructure located upstream of District systems. The two entities operate their respective system in coordination under a Coordinated Operation Agreement. On or about February 9, 2024, PG&E notified the District that a portion of the South Yuba Canal suffered a complete collapse rendering the South Yuba Canal inoperable. On March 6, 2024, PG&E's Spaulding 1 Powerhouse suffered a failure rendering the Drum Canal inoperable. These two combined failures have rendered it impossible to move water into the Drum and South Yuba Canals. Both canals serve as the delivery conduit to provide water to thousands of customers in the District and to generate hydropower. The District has filed a claim for consequential losses with their insurance totaling \$3.36 million, and estimates total damages to be between \$6.6 and \$7.6 million.

Management has evaluated events subsequent to December 31, 2023 through June 18, 2024, the date on which the financial statements were available to be issued. Management has determined no other subsequent events requiring disclosure have occurred.

REQUIRED SUPPLEMENTARY INFORMATION

**NEVADA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
AS OF DECEMBER 31, 2023
LAST 10 YEARS**

| | Measurement Period | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| Total Pension Liability | | | | | |
| Service cost | \$ 3,027,638 | \$ 2,979,866 | \$ 2,821,775 | \$ 2,686,216 | \$ 2,637,751 |
| Interest on the total pension liability | 10,704,876 | 10,301,802 | 10,071,537 | 9,749,205 | 9,364,883 |
| Changes in benefit terms | 136,699 | - | - | - | - |
| Changes in assumptions | - | 4,841,319 | - | - | - |
| Differences between actual and expected experience | 1,214,419 | (1,023,327) | 40,099 | 1,089,816 | 1,189,611 |
| Benefit payments, including refunds of employee contributions | <u>(9,033,879)</u> | <u>(8,596,193)</u> | <u>(8,102,857)</u> | <u>(7,967,447)</u> | <u>(7,515,658)</u> |
| Net Change in Total Pension Liability | 6,049,753 | 8,503,467 | 4,830,554 | 5,557,790 | 5,676,587 |
| Total Pension Liability - Beginning | <u>156,795,132</u> | <u>148,291,665</u> | <u>143,461,111</u> | <u>137,903,321</u> | <u>132,226,734</u> |
| Total Pension Liability - Ending (a) | <u>\$162,844,885</u> | <u>\$156,795,132</u> | <u>\$148,291,665</u> | <u>\$143,461,111</u> | <u>\$137,903,321</u> |
| Plan Fiduciary Net Position | | | | | |
| Contributions - employer | \$ 6,389,179 | \$ 5,949,075 | \$ 5,651,628 | \$ 5,173,543 | \$ 4,567,495 |
| Contributions - employee | 1,323,202 | 1,185,573 | 1,204,407 | 1,203,756 | 1,168,875 |
| Net investment income | 6,271,785 | (8,410,420) | 20,307,586 | 4,340,494 | 5,525,839 |
| Net plan to plan resource movement | - | - | - | - | - |
| Other miscellaneous income (expense) | - | - | - | - | 195 |
| Benefit payments | (9,033,879) | (8,596,193) | (8,102,857) | (7,967,447) | (7,515,658) |
| Administrative expenses | <u>(73,571)</u> | <u>(68,516)</u> | <u>(90,923)</u> | <u>(124,613)</u> | <u>(60,449)</u> |
| Net Change in Plan Fiduciary Net Position | 4,876,716 | (9,940,481) | 18,969,841 | 2,625,733 | 3,686,297 |
| Plan Fiduciary Net Position - Beginning | <u>100,048,732</u> | <u>109,989,214</u> | <u>91,019,373</u> | <u>88,393,640</u> | <u>84,707,343</u> |
| Plan Fiduciary Net Position - Ending (b) | <u>\$104,925,448</u> | <u>\$100,048,733</u> | <u>\$109,989,214</u> | <u>\$ 91,019,373</u> | <u>\$ 88,393,640</u> |
| Net Pension Liability - Ending (a) - (b) | <u>\$ 57,919,437</u> | <u>\$ 56,746,399</u> | <u>\$ 38,302,451</u> | <u>\$ 52,441,738</u> | <u>\$ 49,509,681</u> |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 64.43 % | 63.81 % | 74.17 % | 63.45 % | 64.10 % |
| Covered Payroll | \$ 16,286,382 | \$ 15,986,408 | \$ 16,716,678 | \$ 15,773,436 | \$ 15,230,390 |
| Net Pension Liability as a Percentage of Covered Payroll | 355.63 % | 354.97 % | 229.13 % | 332.47 % | 325.07 % |
| Notes to Schedule: | | | | | |
| <i>Changes in Assumptions:</i> | | | | | |
| Discount rate changes | 6.90 % | 6.90 % | 6.50 % | 7.15 % | 7.15 % |

**NEVADA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
AS OF DECEMBER 31, 2023
LAST 10 YEARS ***

| | Measurement Period | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Total Pension Liability | | | | | |
| Service cost | \$ 2,364,428 | \$ 2,298,162 | \$ 1,926,560 | \$ 1,691,635 | \$ 1,765,326 |
| Interest on the total pension liability | 8,986,105 | 8,801,321 | 8,570,812 | 8,255,944 | 7,905,821 |
| Changes in benefit terms | - | - | - | - | - |
| Changes in assumptions | (617,049) | 7,082,987 | - | (1,922,782) | - |
| Differences between actual and expected experience | (721,555) | 290,763 | 782,741 | 1,142,319 | - |
| Benefit payments, including refunds of employee contributions | <u>(7,242,753)</u> | <u>(7,176,467)</u> | <u>(6,820,099)</u> | <u>(6,643,641)</u> | <u>(6,044,270)</u> |
| Net Change in Total Pension Liability | 2,769,176 | 11,296,766 | 4,460,014 | 2,523,475 | 3,626,877 |
| Total Pension Liability - Beginning | <u>129,457,558</u> | <u>118,160,792</u> | <u>113,700,778</u> | <u>111,177,303</u> | <u>107,550,426</u> |
| Total Pension Liability - Ending (a) | <u>\$132,226,734</u> | <u>\$129,457,558</u> | <u>\$118,160,792</u> | <u>\$113,700,778</u> | <u>\$111,177,303</u> |
| Plan Fiduciary Net Position | | | | | |
| Contributions - employer | \$ 3,930,086 | \$ 3,954,877 | \$ 3,510,366 | \$ 3,098,851 | \$ 2,449,665 |
| Contributions - employee | 1,094,327 | 1,021,683 | 975,138 | 921,705 | 909,560 |
| Net investment income | 6,710,253 | 8,254,320 | 369,777 | 1,695,016 | 11,836,566 |
| Net plan to plan resource movement | (196) | - | - | - | - |
| Other miscellaneous income (expense) | (238,450) | - | - | - | - |
| Benefit payments | (7,242,753) | (7,176,467) | (6,820,099) | (6,643,641) | (6,044,270) |
| Administrative expenses | <u>(125,565)</u> | <u>(110,194)</u> | <u>(46,712)</u> | <u>(86,331)</u> | <u>-</u> |
| Net Change in Plan Fiduciary Net Position | 4,127,702 | 5,944,219 | (2,011,530) | (1,014,400) | 9,151,521 |
| Plan Fiduciary Net Position - Beginning | <u>80,579,641</u> | <u>74,635,422</u> | <u>76,646,952</u> | <u>77,661,352</u> | <u>68,509,831</u> |
| Plan Fiduciary Net Position - Ending (b) | <u>\$ 84,707,343</u> | <u>\$ 80,579,641</u> | <u>\$ 74,635,422</u> | <u>\$ 76,646,952</u> | <u>\$ 77,661,352</u> |
| Net Pension Liability - Ending (a) - (b) | <u>\$ 47,519,391</u> | <u>\$ 48,877,917</u> | <u>\$ 43,525,370</u> | <u>\$ 37,053,826</u> | <u>\$ 33,515,951</u> |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 64.06 % | 62.24 % | 63.16 % | 67.41 % | 69.85 % |
| Covered Payroll | \$ 13,628,612 | \$ 12,972,241 | \$ 12,230,577 | \$ 10,522,081 | \$ 10,387,326 |
| Net Pension Liability as a Percentage of Covered Payroll | 348.67 % | 376.79 % | 355.87 % | 352.15 % | 322.66 % |
| Notes to Schedule: | | | | | |
| <i>Changes in Assumptions:</i> | | | | | |
| Discount rate changes | 7.15 % | 7.15 % | 7.65 % | 7.65 % | 7.50 % |

**NEVADA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
AS OF DECEMBER 31, 2023
LAST 10 YEARS ***

Change in Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.9%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

**NEVADA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN
AS OF DECEMBER 31, 2023
LAST 10 YEARS**

| | Fiscal Year-End | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| Actuarially determined contribution ¹ | \$ 6,389,179 | \$ 5,949,075 | \$ 5,651,628 | \$ 5,173,543 | \$ 4,567,495 |
| Contributions in relation to the actuarially determined contributions ¹ | <u>6,389,179</u> | <u>5,949,075</u> | <u>5,651,628</u> | <u>5,173,543</u> | <u>4,567,495</u> |
| Contribution deficiency (excess) | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> |
| Covered payroll | \$ 16,286,382 | \$ 15,986,408 | \$ 16,716,678 | \$ 15,773,436 | \$ 15,230,390 |
| Contributions as a percentage of covered payroll | 39.23 % | 37.21 % | 33.81 % | 32.80 % | 29.99 % |
| Contribution Valuation Date | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 |
| Reporting Valuation Date | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 |
| Reporting Measurement Valuation Date | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 |

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|-------------------------------|-------------------------------------|
| Actuarial Cost Method | Entry age normal |
| Amortization Method | Level percentage of payroll, closed |
| Remaining Amortization Period | Varies, not more than 30 years |

| | | | | | |
|--|---------------------------------|--------------|--------------|--------------|--------------|
| Asset Valuation Method | Market Value | Market Value | Market Value | Market Value | Market Value |
| Inflation | 2.50 % | 2.50 % | 2.50 % | 2.50 % | 2.63 % |
| Salary Increases | Varies by entry age and service | | | | |
| Payroll Growth | 2.75 % | 2.75 % | 2.75 % | 2.75 % | 2.88 % |
| Investment Rate of Return ² | 7.00 % | 7.00 % | 7.00 % | 7.00 % | 7.25 % |
| Mortality | 5 | 5 | 5 | 5 | 4 |

Notes to Schedule:

1. The contractually required contributions are not available from the actuary for the calendar year. Consequently, the District reported the contributions and contractually required contributions as computed by the actuary for the plan measurement period.
2. Net of administrative expenses, includes inflation.
3. Probabilities of retirement and mortality are based on CalPERS' 2010 Experience Study for the period from 1997 to 2007.
4. Probabilities of retirement and mortality are based on CalPERS' 2014 Experience Study for the period from 1997 to 2011.
5. Probabilities of retirement and mortality are based on CalPERS' 2017 Experience Study for the period from 1997 to 2015.

**NEVADA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN (CONTINUED)
AS OF DECEMBER 31, 2023
LAST 10 YEARS ***

| | Fiscal Year-End | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Actuarially determined contribution ¹ | \$ 3,930,086 | \$ 3,954,877 | \$ 3,510,366 | \$ 3,098,851 | \$ 2,449,665 |
| Contributions in relation to the actuarially determined contributions ¹ | <u>3,930,086</u> | <u>3,954,877</u> | <u>3,510,366</u> | <u>3,098,851</u> | <u>2,449,665</u> |
| Contribution deficiency (excess) | \$ <u> -</u> | \$ <u> -</u> | \$ <u> -</u> | \$ <u> -</u> | \$ <u> -</u> |
| Covered payroll | \$ 13,628,612 | \$ 12,972,241 | \$ 12,230,577 | \$ 10,522,081 | \$ 10,387,326 |
| Contributions as a percentage of covered payroll | 28.84 % | 30.49 % | 28.70 % | 29.45 % | 23.58 % |
| Contribution Valuation Date | June 30, 2016 | June 30, 2015 | June 30, 2014 | June 30, 2013 | June 30, 2012 |
| Reporting Valuation Date | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 | June 30, 2013 |
| Reporting Measurement Valuation Date | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
| Methods and Assumptions Used to Determine Contribution Rates: | | | | | |
| Actuarial Cost Method | | | | | |
| Amortization Method | | | | | |
| Remaining Amortization Period | | | | | |
| Asset Valuation Method | Market Value | Market Value | Market Value | Market Value | 15-year Smoothed Market |
| Inflation | 2.75 % | 2.75 % | 2.75 % | 2.75 % | 2.75 % |
| Salary Increases | | | | | |
| Payroll Growth | 3.00 % | 3.00 % | 3.00 % | 3.00 % | 3.00 % |
| Investment Rate of Return ² | 7.38 % | 7.50 % | 7.50 % | 7.50 % | 7.50 % |
| Mortality | 4 | 4 | 3 | 3 | 3 |

**NEVADA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
AS OF DECEMBER 31, 2023
LAST 10 YEARS ***

| | Measurement Period | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| Total OPEB Liability | | | | | | |
| Service cost | \$ 665,643 | \$ 642,401 | \$ 590,632 | \$ 614,568 | \$ 605,340 | \$ 597,000 |
| Interest | 1,708,723 | 1,631,831 | 1,587,356 | 1,750,233 | 1,683,941 | 1,621,000 |
| Changes in assumptions | - | (733,027) | 714,694 | (681,237) | - | - |
| Differences between actual and expected experience | - | 2,118,403 | - | (2,746,191) | - | - |
| Benefit payments | <u>(1,491,471)</u> | <u>(1,405,302)</u> | <u>(1,306,194)</u> | <u>(1,346,684)</u> | <u>(1,286,122)</u> | <u>(1,328,000)</u> |
| Net Change in Total OPEB Liability | 882,895 | 2,254,306 | 1,586,488 | (2,409,311) | 1,003,159 | 890,000 |
| Total OPEB Liability - Beginning | <u>27,419,642</u> | <u>25,165,336</u> | <u>23,578,848</u> | <u>25,988,159</u> | <u>24,985,000</u> | <u>24,095,000</u> |
| Total OPEB Liability - Ending (a) | <u>\$ 28,302,537</u> | <u>\$ 27,419,642</u> | <u>\$ 25,165,336</u> | <u>\$ 23,578,848</u> | <u>\$ 25,988,159</u> | <u>\$ 24,985,000</u> |
| Plan Fiduciary Net Position | | | | | | |
| Contributions - employer | \$ 2,785,560 | \$ 1,418,805 | \$ 1,319,652 | \$ 1,821,296 | \$ 1,767,404 | \$ 1,835,000 |
| Net investment income | 1,331,513 | (3,205,225) | 5,165,032 | 628,823 | 1,017,699 | 1,159,000 |
| Benefit payments | (1,491,471) | (1,405,302) | (1,306,194) | (1,346,684) | (1,286,122) | (1,328,000) |
| Administrative expenses | <u>(22,113)</u> | <u>(19,568)</u> | <u>(20,568)</u> | <u>(23,264)</u> | <u>(17,766)</u> | <u>(44,000)</u> |
| Net Change in Plan Fiduciary Net Position | 2,603,489 | (3,211,290) | 5,157,922 | 1,080,171 | 1,481,215 | 1,622,000 |
| Plan Fiduciary Net Position - Beginning | <u>20,736,018</u> | <u>23,947,308</u> | <u>18,789,386</u> | <u>17,709,215</u> | <u>16,228,000</u> | <u>14,606,000</u> |
| Plan Fiduciary Net Position - Ending (b) | <u>\$ 23,339,507</u> | <u>\$ 20,736,018</u> | <u>\$ 23,947,308</u> | <u>\$ 18,789,386</u> | <u>\$ 17,709,215</u> | <u>\$ 16,228,000</u> |
| Net OPEB Liability - Ending (a) - (b) | <u>\$ 4,963,030</u> | <u>\$ 6,683,624</u> | <u>\$ 1,218,028</u> | <u>\$ 4,789,462</u> | <u>\$ 8,278,944</u> | <u>\$ 8,757,000</u> |
| Plan Fiduciary Net Position as a Percentage of Total OPEB Liability | 82.5 % | 75.6 % | 95.2 % | 79.7 % | 68.1 % | 65.0 % |
| Covered Payroll | \$ 17,557,908 | \$ 16,987,669 | \$ 17,058,323 | \$ 17,001,674 | \$ 16,324,284 | \$ 14,769,000 |
| Net OPEB Liability as a Percentage of Covered Payroll | 28.3 % | 39.3 % | 7.1 % | 28.2 % | 50.7 % | 59.3 % |

Notes to Schedule:

| | | | | | | |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Valuation Date | June 30, 2022 | June 30, 2021 | June 30, 2019 | June 30, 2019 | June 30, 2017 | June 30, 2017 |
| Measurement Date | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 |
| Benefit Changes | None | None | None | None | None | None |
| <i>Changes in Assumptions:</i> | | | | | | |
| Discount rate changes | 6.25 % | 6.25 % | 6.50 % | 6.75 % | 6.75 % | 6.75 % |

* Schedule is intended to show information for ten years. The year ending December 31, 2018 was the first year of implementation, therefore only six years are shown. Additional years' information will be displayed as it becomes available.

**NEVADA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN
AS OF DECEMBER 31, 2023
LAST 10 YEARS ***

| | Fiscal Year-End | | | | | |
|---|-----------------------|-------------------|------------------|---------------------|------------------|-------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| Actuarially determined contribution - employer calendar year | \$ 1,278,000 | \$ 1,704,000 | \$ 1,381,000 | \$ 1,428,000 | \$ 1,895,000 | \$ 1,888,000 |
| Contributions in relation to the actuarially determined contributions | <u>2,792,807</u> | <u>1,488,992</u> | <u>1,318,415</u> | <u>1,811,450</u> | <u>1,813,103</u> | <u>1,782,000</u> |
| Contribution deficiency (excess) | <u>\$ (1,514,807)</u> | <u>\$ 215,008</u> | <u>\$ 62,585</u> | <u>\$ (383,450)</u> | <u>\$ 81,897</u> | <u>\$ 106,000</u> |
| Covered payroll - employer calendar year | \$ 18,041,462 | \$ 17,439,543 | \$ 16,951,654 | \$ 17,310,846 | \$ 16,695,677 | \$ 15,738,000 |
| Contributions as a percentage of covered payroll | 15.5 % | 8.5 % | 7.8 % | 10.5 % | 10.9 % | 11.3 % |
| Valuation Date | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2017 | June 30, 2017 |
| Measurement Date | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 |

* Schedule is intended to show information for ten years. The year ending December 31, 2018 was the first year of implementation, therefore only six years are shown. Additional years' information will be displayed as it becomes available.

SUPPLEMENTARY INFORMATION

**NEVADA IRRIGATION DISTRICT
CAPACITY FEE SCHEDULE
GOVERNMENT CODE SECTION 66013
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | | |
|--------------------------|------------------|----------------------|
| Beginning Balance | | \$ 9,618,185 |
| Revenues: | | |
| Fees collected | 738,391 | |
| Interest earned | <u>297,288</u> | |
| Total Revenues | <u>1,035,679</u> | |
| Expenses: | | |
| Debt service | <u>218,578</u> | |
| Total Expenses | <u>218,578</u> | |
| Net Changes for the Year | | <u>817,101</u> |
| Ending Balance | | <u>\$ 10,435,286</u> |

California Government Code (CGC) Section 66013 requires the District to place capacity fees received and any interest income earned from the investment of these monies in a separate capacity fee fund. These monies are to be used solely for the purposes for which they were collected and not commingled with other District funds. A capacity charge means a charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future.

The Section requires the District to make certain information available to the public within 180 days after the close of each fiscal year. Furthermore, the Section allows the required information to be included in the District's annual report. The Capacity Fee Schedule meets this requirement.

Capacity fees are imposed for initiating water connection service by the District at the request of the customer. No fees are imposed upon real property or upon person as an incident of property ownership, but rather as a condition of service.

The District's Capital Improvement Plan forecast usage of these fees for water growth/expansion related projects. No interfund loans are connected to these fees.

Source: Nevada Irrigation District Finance Department



Rollins Lake

STATISTICAL SECTION



Boat Launch

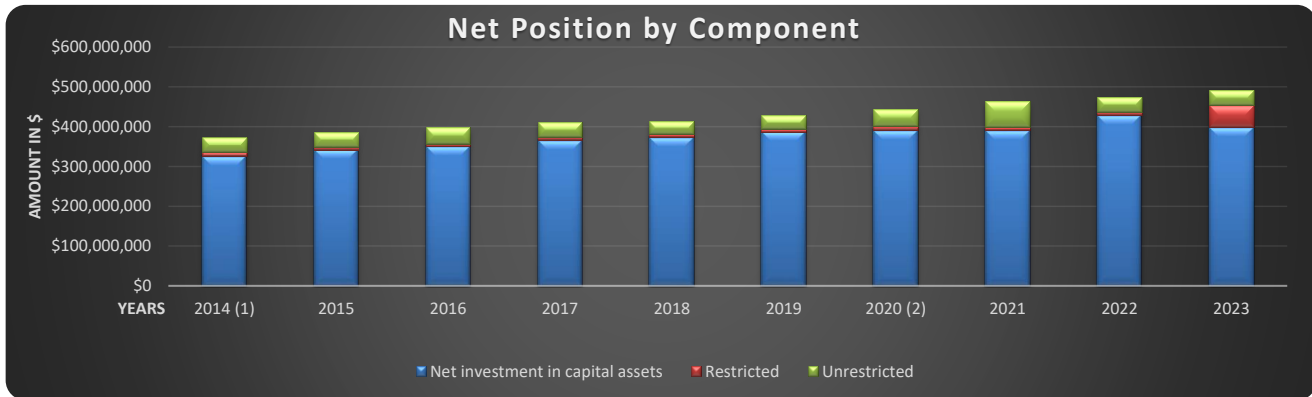
STATISTICAL SECTION

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

| <u>Contents</u> | <u>Page</u> |
|--|--------------------|
| Financial Trends | 54 - 55 |
| These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. | |
| Revenue Capacity | 56 - 62 |
| These schedules contain information to help the reader assess the District's most significant local revenue source, water sales, hydroelectric sales, and property taxes. | |
| Debt Capacity | 63 - 66 |
| These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. | |
| Economic and Demographic Information | 67 - 68 |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. | |
| Operating Information | 69 - 70 |
| These schedules contain service and infrastructure data to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs. | |

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Nevada Irrigation District
Table 1: Net Position by Component
 (Accrual Basis of Accounting)



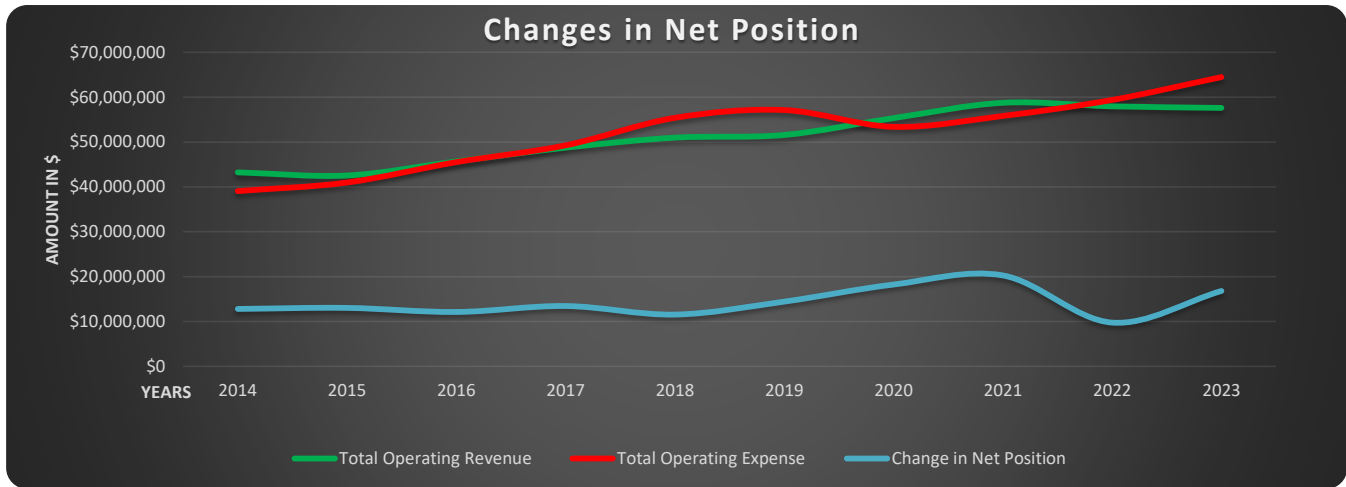
| | 2014 (1) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 (2) | 2021 | 2022 | 2023 |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Net Position: | | | | | | | | | | |
| Net investment in capital assets | \$326,939,315 | \$342,551,262 | \$350,611,745 | \$366,586,609 | \$375,052,243 | \$387,397,101 | \$392,225,818 | \$391,792,671 | \$430,162,905 | \$398,667,232 |
| Restricted | 10,109,236 | 6,801,736 | 6,338,459 | 7,138,137 | 6,163,398 | 6,840,404 | 8,402,601 | 6,721,953 | 7,062,366 | 54,452,533 |
| Unrestricted | 35,619,175 | 36,342,866 | 40,864,586 | 37,543,531 | 32,346,853 | 33,591,203 | 42,412,463 | 64,800,994 | 36,960,355 | 37,864,186 |
| Total net position | \$372,667,726 | \$385,695,864 | \$397,814,790 | \$411,268,277 | \$413,562,494 | \$427,828,708 | \$443,040,882 | \$463,315,618 | \$474,185,626 | \$490,983,951 |

Source: Nevada Irrigation District Finance Department

(1) Balances shown for 2014 were restated to reflect the implementation of GASB 68.

(2) Balances prior to 2020 were not restated for the implementation of GASB 84 as information was not readily available

Nevada Irrigation District
Table 2: Changes in Net Position
 (Accrual Basis of Accounting)



| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|
| Operating Revenues: | | | | | | | | | | |
| Water sales | \$ 18,879,014 | \$ 18,182,972 | \$ 19,965,010 | \$ 21,754,315 | \$ 23,401,902 | \$ 23,380,147 | \$ 27,876,917 | \$ 30,927,958 | \$ 28,216,392 | \$ 27,827,551 |
| Electric power sales | 21,547,522 | 20,938,643 | 22,559,519 | 23,662,146 | 23,526,675 | 24,193,843 | 24,022,283 | 24,268,428 | 25,023,700 | 25,612,158 |
| Standby charges | 199,031 | 127,318 | 124,533 | 128,868 | 135,886 | 129,822 | 78,055 | 150,133 | 145,150 | 120,862 |
| Reimbursements | 66,945 | 715,544 | 344,065 | 67,514 | 74,760 | 231,525 | 156,990 | 188,258 | 188,651 | 238,118 |
| New connections and instl | 172,943 | 391,315 | 225,972 | 419,977 | 865,917 | 261,310 | 1,354,008 | 616,641 | 1,019,482 | 435,946 |
| Recreation fees | 1,814,050 | 1,680,426 | 2,056,885 | 2,118,007 | 2,243,900 | 2,375,139 | 1,437,822 | 2,109,000 | 2,189,353 | 2,388,027 |
| Other revenue | 558,090 | 514,390 | 421,539 | 591,875 | 733,121 | 1,012,410 | 411,551 | 488,154 | 1,174,608 | 987,958 |
| Total Operating Revenue | 43,237,595 | 42,550,608 | 45,697,523 | 48,742,702 | 50,982,161 | 51,584,196 | 55,337,626 | 58,748,572 | 57,957,336 | 57,610,620 |
| Operating Expenses | | | | | | | | | | |
| Administration and general | 15,038,106 | 16,857,254 | 20,237,948 | 23,799,490 | 26,749,348 | 28,947,484 | 23,711,660 | 23,732,844 | 28,554,855 | 31,839,248 |
| Water treatment | 5,125,173 | 5,038,911 | 7,394,700 | 6,862,080 | 7,457,698 | 7,857,776 | 7,736,964 | 8,678,225 | 8,875,055 | 9,062,893 |
| Transmission and distr | 8,675,374 | 9,595,141 | 8,152,298 | 8,656,311 | 9,954,565 | 9,392,383 | 10,429,784 | 10,488,119 | 9,262,865 | 11,097,536 |
| Pumping | 814,440 | 705,111 | 852,879 | 980,341 | 975,937 | 896,625 | 1,177,979 | 1,071,868 | 1,352,940 | 1,266,463 |
| Depreciation and amort | 9,410,296 | 8,781,131 | 8,887,242 | 8,971,611 | 10,263,639 | 10,036,247 | 10,331,117 | 11,841,003 | 11,337,412 | 11,210,291 |
| Total Operating Expense | 39,063,389 | 40,977,548 | 45,525,067 | 49,269,833 | 55,401,187 | 57,130,515 | 53,387,504 | 55,812,059 | 59,383,127 | 64,476,431 |
| Nonoperating Rev (Exp) | | | | | | | | | | |
| Taxes and assessments | 10,108,508 | 10,707,911 | 11,363,997 | 11,750,933 | 12,331,723 | 13,092,532 | 13,452,475 | 14,188,393 | 15,599,521 | 16,444,213 |
| Investment income | 673,536 | 652,266 | 1,164,646 | 1,232,503 | 1,465,194 | 1,701,402 | 1,271,584 | 512,277 | 792,620 | 1,430,530 |
| Other Interest Income | - | - | 374,996 | - | - | - | - | 604,192 | 622,321 | 604,595 |
| Unrealized gain/(loss) | - | (827,767) | (1,351,995) | 150,798 | - | 1,336,793 | - | (1,284,740) | (7,735,823) | 3,436,852 |
| Intergovernmental revenue | 412,468 | 937,659 | 1,501,698 | 1,102,666 | 2,165,910 | 3,629,278 | 654,276 | 997,635 | 1,290,979 | 1,397,475 |
| Rents and leases | 73,534 | 165,720 | 206,923 | 158,024 | 228,926 | 172,684 | 170,889 | 190,165 | 453,148 | 466,242 |
| Gain/(loss) on sale assets | (2,199,003) | (3,275) | 17,535 | 324 | (214,765) | (71,159) | (165,523) | (52,546) | 129,628 | 15,836 |
| Interest expense | (1,320,756) | (1,265,805) | (2,055,024) | (1,663,744) | (1,438,321) | (1,372,612) | (1,341,559) | (1,551,669) | (1,467,627) | (1,352,045) |
| Other non-operating expenses | - | (83,234) | 148,412 | - | - | - | (184,194) | - | - | - |
| Total Nonoperating | 7,748,287 | 10,283,475 | 11,371,188 | 12,731,504 | 14,538,668 | 18,488,918 | 13,857,948 | 13,603,707 | 9,684,767 | 22,443,698 |
| Income before contribution | 11,922,493 | 11,856,535 | 11,543,644 | 12,204,373 | 10,119,642 | 12,942,599 | 15,808,070 | 16,540,220 | 8,258,976 | 15,577,887 |
| Transfers and contributions | | | | | | | | | | |
| Capacity charges | 854,499 | 414,305 | 575,282 | 1,038,453 | 517,343 | 789,537 | 1,384,151 | 1,564,981 | 864,344 | 738,391 |
| Special assessments - capital | - | - | - | - | - | - | 371,034 | 428,879 | 357,782 | 362,045 |
| Capital contributions | 18,776 | 757,298 | - | 210,661 | 905,297 | 702,549 | 676,998 | 1,740,656 | 270,632 | 120,003 |
| Total Transfers and contri | 873,275 | 1,171,603 | 575,282 | 1,249,114 | 1,422,640 | 1,492,086 | 2,432,183 | 3,734,516 | 1,492,758 | 1,220,439 |
| Change in Net Position | \$ 12,795,768 | \$ 13,028,138 | \$ 12,118,926 | \$ 13,453,487 | \$ 11,542,282 | \$ 14,434,685 | \$ 18,240,253 | \$ 20,274,736 | \$ 9,751,734 | \$ 16,798,326 |

Source: Nevada Irrigation District Finance Department

Nevada Irrigation District
Table 4: Hydroelectric Rates, Production, and Sales
 Effective January 1

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <u>Rates/(kwh)</u> | | | | | | | | | | |
| Location: # Power Plants | | | | | | | | | | |
| Chicago Park Powerhouse | \$ 0.17 | \$ 0.14 | \$ 0.06 | \$ 0.05 | \$ 0.08 | \$ 0.07 | \$ 0.14 | \$ 0.16 | \$ 0.11 | \$ 0.08 |
| Dutch Flat #2 Powerhouse | 0.26 | 0.25 | 0.06 | 0.04 | 0.08 | 0.06 | 0.50 | 0.26 | 0.20 | 0.13 |
| Rollins Powerhouse | 0.19 | 0.18 | 0.07 | 0.06 | 0.09 | 0.08 | 0.12 | 0.18 | 0.11 | 0.08 |
| Deer Creek Powerhouse | | | | | | | | | | 1.14 |
| Bowman Powerhouse | 0.07 | 0.06 | 0.05 | 0.05 | 0.08 | 0.08 | 0.13 | 0.23 | 0.13 | 0.08 |
| Scotts Flat Powerhouse | 0.09 | 0.09 | 0.09 | 0.09 | 0.09 | 0.08 | 0.13 | 0.15 | 0.14 | 0.09 |
| Combie South Powerhouse | 0.09 | 0.09 | 0.09 | 0.10 | 0.09 | 0.10 | 0.07 | 0.10 | 0.14 | 0.13 |
| Combie North Powerhouse | 0.11 | 0.10 | 0.11 | 0.10 | 0.11 | 0.12 | 0.11 | 0.12 | 0.07 | 0.06 |
| <u>Unit Availability</u> | | | | | | | | | | |
| Location: | | | | | | | | | | |
| Chicago Park Powerhouse | 99.67% | 99.79% | 99.79% | 99.39% | 99.69% | 99.93% | 99.95% | 100.00% | 99.81% | 99.81% |
| Dutch Flat #2 Powerhouse | 99.93% | 96.52% | 99.55% | 98.79% | 99.99% | 99.72% | 99.71% | 99.60% | 99.86% | 99.29% |
| Rollins Powerhouse | 100.00% | 99.78% | 97.97% | 99.19% | 99.57% | 99.86% | 99.91% | 99.84% | 100.00% | 99.76% |
| Bowman Powerhouse | 0% | 0% | 0% | 92.87% | 97.25% | 92.42% | 99.54% | 93.43% | 96.22% | 98.70% |
| Average | 99.87% | 98.70% | 99.10% | 97.56% | 99.13% | 97.98% | 99.78% | 98.22% | 98.97% | 99.39% |
| <u>Generation/(kwh)</u> | | | | | | | | | | |
| Location: | | | | | | | | | | |
| Chicago Park Powerhouse | 59,831,000 | 69,133,000 | 161,362,000 | 186,509,000 | 124,022,000 | 148,125,000 | 76,204,000 | 67,001,260 | 102,294,218 | 134,661,195 |
| Dutch Flat #2 Powerhouse | 19,912,000 | 21,793,000 | 90,897,000 | 144,680,000 | 68,557,000 | 100,439,000 | 11,715,000 | 22,857,333 | 30,247,769 | 46,717,616 |
| Rollins Powerhouse | 27,008,000 | 28,588,000 | 74,461,000 | 86,912,000 | 61,318,000 | 75,926,000 | 47,704,000 | 32,126,528 | 54,023,966 | 72,913,201 |
| Deer Creek Powerhouse | | | | | | | | | | 1,048,740 |
| Bowman Powerhouse | 5,083,000 | 3,952,800 | 14,700,000 | 20,462,400 | 13,920,000 | 14,274,000 | 8,897,000 | 4,882,023 | 9,132,493 | 15,333,704 |
| Scotts Flat Powerhouse | 2,891,000 | 2,228,000 | 3,911,000 | 4,107,600 | 4,412,000 | 4,953,000 | 3,596,000 | 2,591,000 | 3,252,000 | 6,777,883 |
| Combie South Powerhouse | 2,158,000 | 1,652,400 | 7,927,000 | 8,456,400 | 5,441,000 | 7,918,000 | 3,437,000 | 2,383,253 | 3,674,099 | 5,005,200 |
| Combie North Powerhouse | 1,370,000 | 1,279,000 | 1,855,000 | 2,167,200 | 1,466,000 | 1,680,000 | 1,183,000 | 1,091,400 | 1,998,300 | 1,805,400 |
| Total | 118,253,000 | 128,626,200 | 355,113,000 | 453,294,600 | 279,136,000 | 353,315,000 | 152,736,000 | 132,932,797 | 204,622,845 | 284,262,939 |
| <u>Sales</u> | | | | | | | | | | |
| Location: | | | | | | | | | | |
| Chicago Park Powerhouse | \$ 10,156,075 | \$ 9,688,911 | \$ 9,856,454 | \$ 10,014,437 | \$ 10,131,747 | \$ 10,311,570 | \$ 10,465,264 | \$ 10,626,541 | \$ 10,768,136 | \$ 10,923,612 |
| Dutch Flat Powerhouse | 5,247,154 | 5,417,285 | 5,573,524 | 5,526,812 | 5,621,379 | 5,725,698 | 5,800,114 | 5,892,408 | 5,983,868 | 6,042,185 |
| Rollins Powerhouse | 5,149,273 | 5,100,484 | 5,159,473 | 5,544,927 | 5,645,458 | 5,715,035 | 5,807,549 | 5,893,076 | 5,976,365 | 6,071,634 |
| Deer Creek Powerhouse | | | | | | | | | | 51,901 |
| Bowman Powerhouse | 374,415 | 255,516 | 722,338 | 1,043,161 | 1,110,355 | 1,081,741 | 1,118,961 | 1,100,881 | 1,191,805 | 1,199,770 |
| Scotts Flat Powerhouse | 274,400 | 209,302 | 357,684 | 355,583 | 383,750 | 407,545 | 467,468 | 392,942 | 448,306 | 580,474 |
| Combie South Powerhouse | 192,624 | 141,890 | 694,311 | 865,791 | 476,289 | 759,043 | 228,854 | 230,135 | 509,783 | 632,219 |
| Combie North Powerhouse | 152,041 | 125,255 | 195,735 | 227,850 | 157,697 | 193,211 | 134,073 | 132,445 | 145,437 | 110,792 |
| Total | \$ 21,545,982 | \$ 20,938,643 | \$ 22,559,519 | \$ 23,578,561 | \$ 23,526,675 | \$ 24,193,843 | \$ 24,022,283 | \$ 24,268,428 | \$ 25,023,701 | \$ 25,612,588 |

Source: Nevada Irrigation District Finance and Hydroelectric Department

Prior to 2013, NID was only reimbursed cost at the Chicago Park, Dutch Flat #2, and Rollins Powerhouses.

Bowman Powerhouse converted to availability based contract on January 1, 2017. No prior availability data is available.

Numerical information is only for CAFR statistical purposes and not related to contract agreement.

Generation/(kwh) information updated for years 2013-2019

Combie South Powerhouse sales contract modified beginning 5/1/2020.

Scotts Flat Powerhouse sales agreement with PG&E changed from an amended power purchase agreement to a Renewable Energy Self-Generation Bill Credit Transfer agreement commencing 6/1/2020.

2024 Deer Creek was added 12/2023

Nevada Irrigation District
Table 3: Treated Water Rates and Connection Fees
 Effective January 1

| | 2014 | 2015 | 2016 | 2017 | 2018 | 1/1-6/30/19 | 7/1-12/31/19 | 2020 | 1/1-6/30/2021 | 7/1/21-12/31/21 (Drought Stage 2) | 01/01/22- 02/28/2022 (Drought Stage 2) | 03/01/2022- 12/31/2022 | 2023 |
|--|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------------------------------|--|---------------------------|--------------|
| Commodity Rate/HCF: | | | | | | | | | | | | | |
| Residential | | | | | | | | | | | | | |
| 2 to 58 hcf | \$ 1.62 | \$ 1.72 | \$ 1.82 | \$ 1.93 | \$ 2.05 | \$ 2.05 | \$ 2.17 | \$ 2.29 | \$ 2.42 | \$ 2.99 | \$ 2.99 | \$ 2.42 | \$ 2.42 |
| Next 340 h | 2.10 | 2.22 | 2.36 | 2.50 | 2.65 | 2.65 | 2.80 | 2.96 | 3.13 | 3.87 | 3.87 | 3.13 | 3.13 |
| Over 400 h | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Daily Base Charge (fixed based on meter size): | | | | | | | | | | | | | |
| 5/8" | \$ 0.64 | \$ 0.69 | \$ 0.74 | \$ 0.45 | \$ 0.83 | \$ 0.83 | \$ 0.88 | \$ 0.93 | \$ 0.98 | \$ 0.98 | \$ 0.98 | \$ 0.98 | \$ 0.98 |
| 3/4" | 0.97 | 1.04 | 1.10 | 1.17 | 1.24 | 1.24 | 1.31 | 1.39 | 1.47 | 1.47 | 1.47 | 1.47 | 1.47 |
| 1" | 1.61 | 1.74 | 1.84 | 1.95 | 2.07 | 2.07 | 2.19 | 2.31 | 2.44 | 2.44 | 2.44 | 2.44 | 2.44 |
| 1.5" | 3.22 | 3.47 | 3.68 | 3.90 | 4.14 | 4.14 | 4.37 | 4.62 | 4.89 | 4.89 | 4.89 | 4.89 | 4.89 |
| 2" | 5.16 | 5.56 | 5.89 | 6.25 | 6.62 | 6.62 | 7.00 | 7.40 | 7.82 | 7.82 | 7.82 | 7.82 | 7.82 |
| 3" | 9.67 | 10.42 | 11.05 | 11.71 | 12.41 | 12.41 | 14.00 | 14.80 | 15.65 | 15.65 | 15.65 | 15.65 | 15.65 |
| 4" | 16.12 | 17.37 | 18.41 | 19.52 | 20.69 | 20.69 | 21.87 | 23.13 | 24.45 | 24.45 | 24.45 | 24.45 | 24.45 |
| 6" | 32.24 | 34.74 | 36.83 | 39.04 | 41.38 | 41.38 | 43.74 | 46.25 | 48.89 | 48.89 | 48.89 | 48.89 | 48.89 |
| 8" | 51.59 | 55.59 | 58.93 | 62.46 | 66.21 | 66.21 | 69.99 | 73.99 | 78.23 | 78.23 | 78.23 | 78.23 | 78.23 |
| Daily Base Charge for Private Fire Lines (fixed based on meter size): | | | | | | | | | | | | | |
| 1" | \$ 0.09 | \$ 0.10 | \$ 0.10 | \$ 0.10 | \$ 0.11 | \$ 0.11 | No Change | \$ 0.11 | \$ 0.12 | \$ 0.12 | \$ 0.12 | \$ 0.12 | \$ 0.13 |
| 4" | 0.54 | 0.57 | 0.58 | 0.60 | 0.62 | 0.64 | No Change | 0.65 | 0.67 | 0.67 | 0.67 | 0.67 | 1.26 |
| 6" | 0.58 | 0.60 | 0.62 | 0.64 | 0.66 | 0.68 | No Change | 0.70 | 0.71 | 0.71 | 0.71 | 0.71 | 1.36 |
| 8" | 0.64 | 0.67 | 0.68 | 0.71 | 0.74 | 0.76 | No Change | 0.77 | 0.79 | 0.79 | 0.79 | 0.79 | 1.55 |
| Connection Fees | | | | | | | | | | | | | |
| 5/8" | \$ 9,775.00 | \$ 10,097.00 | \$ 10,294.00 | \$ 10,641.00 | \$ 11,071.00 | \$ 11,392.00 | No Change | \$ 11,596.00 | \$ 11,845.00 | \$ 11,845.00 | \$ 12,430.20 | \$ 12,430.20 | \$ 13,121.00 |
| 3/4" | 13,859.00 | 14,317.00 | 14,598.00 | 15,090.00 | 15,700.00 | 16,156.00 | No Change | 16,446.00 | 16,799.00 | 16,799.00 | 17,726.70 | 17,726.70 | 18,713.00 |
| 1" | 24,212.00 | 25,014.00 | 25,506.00 | 26,365.00 | 31,900.00 | 32,825.00 | No Change | 33,414.00 | 34,132.00 | 34,132.00 | 38,311.70 | 38,311.70 | 32,929.00 |
| 1.5" | 53,913.00 | 55,703.00 | 56,799.00 | 58,710.00 | 65,581.00 | 67,482.00 | No Change | 68,694.00 | 70,170.00 | 70,170.00 | 76,864.60 | 76,864.60 | 81,139.00 |
| 2" | 95,343.00 | 98,511.00 | 100,450.00 | 103,827.00 | 112,533.00 | 115,796.00 | No Change | 117,878.00 | 120,410.00 | 120,410.00 | 130,738.30 | 130,738.30 | 138,008.00 |
| Over 2" | - | - | - | - | - | - | - | - | - | - | - | - | - |

(1) 1st 10 hcf for 2 to 58 hcf, Next 340 hcf Over
 Source: Nevada Irrigation District Finance Department

Nevada Irrigation District
Table 5: Recreation Fees and Facilities
 Effective January 1

| | 2014 | 2015 | 2016 | 2017 | 2018 ⁽¹⁾ | 2019 | 2020 ⁽²⁾ | 2021 | 2022 | 2023 ⁽³⁾ |
|---------------------|------------------|------------------|------------------|------------------|---------------------|------------------|---------------------|------------------|------------------|---------------------|
| <u>Sales</u> | | | | | | | | | | |
| Location: | | | | | | | | | | |
| Scotts Flat | \$ 768,982 | \$ 663,142 | \$ 790,761 | \$ 937,907 | \$ 954,933 | \$ 1,103,784 | \$ 655,843 | \$ 927,780 | \$ 1,008,198 | \$ 1,157,871 |
| Long Ravine | 491,167 | 531,932 | 520,854 | 531,109 | 548,837 | 550,834 | 372,948 | 496,118 | 462,140 | 477,334 |
| Orchard Springs | 344,864 | 295,275 | 295,307 | 323,029 | 301,593 | 336,474 | 219,093 | 359,971 | 408,252 | 411,526 |
| Peninsula | 151,235 | 190,077 | 219,821 | 232,094 | 226,994 | 222,457 | 35,776 | 158,973 | 224,231 | 279,369 |
| Jackson Meadows | - | - | 230,026 | 93,868 | 181,656 | 161,188 | 154,162 | 166,159 | 73,191 | 56,464 |
| Subtotal fees | 1,756,248 | 1,680,426 | 2,056,769 | 2,118,007 | 2,214,014 | 2,374,737 | 1,437,822 | 2,109,000 | 2,176,012 | 2,382,564 |
| Combie | - | - | 116 | - | 29,887 | 402 | 32,376 | 33,928 | 459 | 383 |
| Total | 1,756,248 | 1,680,426 | 2,056,885 | 2,118,007 | 2,243,900 | 2,375,139 | 1,470,198 | 2,142,928 | 2,176,471 | 2,382,947 |
| # Campsites: | | | | | | | | | | |
| Scotts Flat | 200 | 200 | 200 | 200 | 190 | 190 | 190 | 190 | 190 | 190 |
| Long Ravine | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 |
| Orchard Springs | 91 | 91 | 91 | 91 | 99 | 99 | 99 | 99 | 99 | 99 |
| Peninsula | 70 | 70 | 70 | 70 | 73 | 73 | 73 | 73 | 73 | 73 |
| Jackson Meadows | - | - | 170 | 170 | 188 | 188 | 188 | 188 | 188 | 7 |
| Total | 462 | 462 | 632 | 632 | 651 | 651 | 651 | 651 | 651 | 470 |

Note: Rates vary by length of stay, vehicle type & occupants. Revenues consist of reservations, boat launch, store items, and royalties

Source: Nevada Irrigation District Finance and Recreation Department

Jackson Meadows Campground management changed from the Forest Service over to NID in 2016

(1) Physical count of campsites conducted in 2018 resulting in minor differences in campsite counts over previous years.

(2) Campground closures in 2020 due to Covid 19 reduced recreation sales over previous years.

(3) USFS is operating their own campgrounds again. NID operates only the group sites and dispersed camping on NID property.

Nevada Irrigation District
Table 6: Raw Water Rates and Connection Fees
 Effective January 1

| | 2014 | 2015 | 2016 | 2017 | 2018 | 1/1-6/30/19 | 7/1-12/31/19 | 2020 | 1/1-6/30/2021 | 7/1/21-12/31/21 (Drought Stage 2) | 2022 | 2023 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|---------------|--------------------------------------|-------------|-------------|
| 0.25 MI | \$439.16 | \$465.52 | \$493.44 | \$550.40 | \$554.42 | \$554.42 | \$586.14 | \$619.66 | \$655.11 | \$670.84 | \$655.11 | \$655.11 |
| 0.5 | 495.55 | 525.29 | 556.81 | 590.21 | 625.62 | 625.62 | 661.40 | 699.23 | 739.23 | 770.68 | 739.23 | 739.23 |
| 1 | 608.34 | 644.84 | 683.53 | 724.54 | 768.00 | 768.00 | 811.93 | 858.37 | 907.47 | 970.37 | 907.47 | 907.47 |
| 1.5 | 721.13 | 764.39 | 810.26 | 858.87 | 910.39 | 910.39 | 962.46 | 1,017.51 | 1,075.71 | 1,170.06 | 1,075.71 | 1,075.71 |
| 2 | 833.91 | 883.94 | 936.98 | 993.20 | 1,052.77 | 1,052.77 | 1,112.99 | 1,176.65 | 1,243.95 | 1,369.75 | 1,243.95 | 1,243.95 |
| 2.5 | 946.70 | 1,003.49 | 1,063.71 | 1,127.53 | 1,195.16 | 1,195.16 | 1,263.52 | 1,335.79 | 1,412.19 | 1,569.44 | 1,412.19 | 1,412.19 |
| 3 | 1,059.49 | 1,123.04 | 1,190.43 | 1,261.86 | 1,337.54 | 1,337.54 | 1,414.05 | 1,494.93 | 1,580.43 | 1,769.13 | 1,580.43 | 1,580.43 |
| 3.5 | 1,172.27 | 1,242.59 | 1,317.16 | 1,396.19 | 1,479.93 | 1,479.93 | 1,564.58 | 1,654.07 | 1,748.67 | 1,968.82 | 1,748.67 | 1,748.67 |
| 4 | 1,285.05 | 1,362.14 | 1,443.88 | 1,530.52 | 1,622.31 | 1,622.31 | 1,715.11 | 1,813.21 | 1,916.91 | 2,168.51 | 1,916.91 | 1,916.91 |
| 4.5 | 1,397.84 | 1,481.69 | 1,570.61 | 1,664.85 | 1,764.70 | 1,764.70 | 1,865.64 | 1,972.35 | 2,085.15 | 2,368.20 | 2,085.15 | 2,085.15 |
| 5 | 1,510.62 | 1,601.24 | 1,697.33 | 1,799.18 | 1,907.08 | 1,907.08 | 2,016.17 | 2,131.49 | 2,253.39 | 2,567.89 | 2,253.39 | 2,253.39 |
| 6 | 1,736.19 | 1,840.34 | 1,950.78 | 2,067.84 | 2,191.85 | 2,191.85 | 2,317.23 | 2,449.77 | 2,589.87 | 2,967.27 | 2,589.87 | 2,589.87 |
| 7 | 1,961.76 | 2,079.44 | 2,204.23 | 2,336.50 | 2,476.62 | 2,476.62 | 2,618.29 | 2,768.05 | 2,926.35 | 3,366.65 | 2,926.35 | 2,926.35 |
| 8 | 2,187.33 | 2,318.54 | 2,457.68 | 2,605.16 | 2,761.39 | 2,761.39 | 2,919.35 | 3,086.33 | 3,262.83 | 3,766.03 | 3,262.83 | 3,262.83 |
| 9 | 2,412.90 | 2,557.64 | 2,711.13 | 2,873.82 | 3,046.16 | 3,046.16 | 3,220.41 | 3,404.61 | 3,599.31 | 4,165.41 | 3,599.31 | 3,599.31 |
| 10 | 2,638.47 | 2,796.74 | 2,964.58 | 3,142.48 | 3,330.93 | 3,330.93 | 3,521.47 | 3,722.89 | 3,935.79 | 4,564.79 | 3,935.79 | 3,935.79 |
| 11 | 2,864.04 | 3,035.84 | 3,218.03 | 3,411.14 | 3,615.70 | 3,615.70 | 3,822.53 | 4,041.17 | 4,272.27 | 4,964.17 | 4,272.27 | 4,272.27 |
| 12 | 3,089.61 | 3,274.94 | 3,471.48 | 3,679.80 | 3,900.47 | 3,900.47 | 4,123.59 | 4,359.45 | 4,608.75 | 5,363.55 | 4,608.75 | 4,608.75 |
| 13 | 3,315.18 | 3,514.04 | 3,724.93 | 3,948.46 | 4,185.24 | 4,185.24 | 4,424.65 | 4,677.73 | 4,945.23 | 5,762.93 | 4,945.23 | 4,945.23 |
| 14 | 3,540.75 | 3,753.14 | 3,978.38 | 4,217.12 | 4,470.01 | 4,470.01 | 4,725.71 | 4,996.01 | 5,281.71 | 6,162.31 | 5,281.71 | 5,281.71 |
| 15 | 3,766.32 | 3,992.24 | 4,231.83 | 4,485.78 | 4,754.78 | 4,754.78 | 5,026.77 | 5,314.29 | 5,618.19 | 6,561.69 | 5,618.19 | 5,618.19 |
| 16 | 3,991.89 | 4,231.34 | 4,485.28 | 4,754.44 | 5,039.55 | 5,039.55 | 5,327.83 | 5,632.57 | 5,954.67 | 6,961.07 | 5,954.67 | 5,954.67 |
| 17 | 4,217.46 | 4,470.44 | 4,738.73 | 5,023.10 | 5,324.32 | 5,324.32 | 5,628.89 | 5,950.85 | 6,291.15 | 7,360.45 | 6,291.15 | 6,291.15 |
| 18 | 4,443.03 | 4,709.54 | 4,992.18 | 5,291.76 | 5,609.09 | 5,609.09 | 5,929.95 | 6,269.13 | 6,627.63 | 7,759.83 | 6,627.63 | 6,627.63 |
| 19 | 4,668.60 | 4,948.64 | 5,245.63 | 5,560.42 | 5,893.86 | 5,893.86 | 6,231.01 | 6,587.41 | 6,964.11 | 8,159.21 | 6,964.11 | 6,964.11 |
| 20+ per MI | | | | | | | | | | | | |
| 20 | 4,894.17 | 5,187.74 | 5,499.08 | 5,856.43 | 6,178.63 | 6,178.63 | 6,532.07 | 6,905.69 | 7,300.59 | 8,558.59 | 7,300.59 | 7,300.59 |
| Per MI | 225.57 | 239.10 | 253.45 | 268.66 | 284.77 | 284.77 | 301.06 | 318.28 | 336.48 | 399.38 | 336.48 | 336.48 |
| Fixed Fee | 382.77 | 405.74 | 430.08 | 455.88 | 483.23 | 483.23 | 510.87 | 540.09 | 570.99 | 570.99 | 570.99 | 570.99 |
| Connection Fees For Irrigation Box | | | | | | | | | | | | |
| 1/2 - 25MI Box | \$ 1,089.00 | \$ 1,119.00 | \$ 1,139.00 | \$ 1,180.00 | \$ 1,230.00 | \$ 1,266.00 | No Change | \$ 1,288.00 | \$ 1,316.00 | No Change | \$ 1,554.00 | \$ 1,640.00 |
| 26 - 40 MI Box | 1,801.00 | 1,850.00 | 1,883.00 | 1,951.00 | 2,034.00 | 2,093.00 | No Change | 2,130.00 | 2,176.00 | No Change | Actual Cost | Actual Cost |
| Over 40 MI | - | - | - | - | - | - | - | - | - | - | - | - |
| Orificed Svc | 1,009.00 | 1,036.00 | 1,055.00 | 1,093.00 | 1,139.00 | 1,172.00 | No Change | 1,193.00 | 1,219.00 | No Change | \$ 1,160.50 | \$ 1,225.00 |

Source: Nevada Irrigation District Finance Department

Nevada Irrigation District
Table 7: Water Sales and Production by Type
 Last Ten Fiscal Years

| Fiscal Year | Treated | Raw | Other | Total Water Sales | Total Treated Water Deliveries (CCF) | Total Raw & Other Deliveries (Acre Feet) |
|--------------------|----------------|------------|--------------|--------------------------|---|---|
| 2014 | 12,561,235 | 5,222,372 | 1,095,407 | 18,879,014 | 3,932,684 | 117,566 |
| 2015 | 11,878,330 | 5,275,370 | 1,029,272 | 18,182,972 | 3,455,708 | 118,641 |
| 2016 | 13,311,605 | 5,771,850 | 881,555 | 19,965,010 | 3,157,246 | 119,385 |
| 2017 | 14,534,980 | 6,165,356 | 1,053,979 | 21,754,315 | 3,437,750 | 121,025 |
| 2018 | 15,708,875 | 6,479,399 | 1,213,628 | 23,401,902 | 3,567,185 | 121,173 |
| 2019 | 15,619,647 | 6,695,915 | 1,064,585 | 23,380,147 | 3,492,146 | 118,204 |
| 2020 | 18,721,988 | 7,221,430 | 1,933,499 | 27,876,917 | 3,835,449 | 120,141 |
| 2021 | 20,614,414 | 8,207,497 | 2,106,047 | 30,927,958 | 3,723,762 | 119,513 |
| 2022 | 18,401,521 | 7,605,011 | 2,209,861 | 28,216,393 | 3,835,357 | 121,036 |
| 2023 | 18,011,604 | 7,489,472 | 2,326,475 | 27,827,551 | 3,779,559 | 120,972 |

Sources: Nevada Irrigation District Finance and Operations Department

Nevada Irrigation District
Table 8: Ten Largest Water Customers
 Current Year and Nine Years Ago

| <i>Treated Water</i> | | | | <i>Treated Water</i> | | | |
|--|---------------------|-------------|---------------------------------|--|---------------------|-------------|---------------------------------|
| 2023 | | | | 2013⁽³⁾ | | | |
| Customer Account Number(s)⁽¹⁾ | Total Sales | Rank | % of Sales⁽²⁾ | Customer Account Number(s)⁽¹⁾ | Total Sales | Rank | % of Sales⁽²⁾ |
| 40629-00, 32138-00, 32139-00, 19037-00, 21523-00, 18735-02, 32940-00, 37390-00, 37470-00, 37471-00, 38473-00, 40539-01, 32941-00, 18812-00, 18813-00 | \$ 157,197 | 1 | 0.87% | 19640-00, 19748-00, 32159-00, 32855-00, 35503-00, 39710-00 | \$ 76,300 | 1 | 0.59% |
| 18747-00, 18751-00, 31657-00, 31728-00, 36754-00, 40658-00, | 143,481 | 2 | 0.80% | 20947 | 61,554 | 2 | 0.47% |
| 13317-00, 13558-00, 13573-00, 13610-00, 13633-00, 27787-00, 31822-00, 31897-00, 32773-01, 36188-00, 36533-01, 36631-01, 37140-00, 37171-01, 37209-00, 37210-00, 38483-00, 38566-00, 39500-00, 39501-01, 40335-00, 42165-00, 42902-00, 42903-00 | 136,907 | 3 | 0.76% | 15726-00, 15743-00, 15776-00 | 57,904 | 3 | 0.45% |
| 19640-00, 19748-00, 32159-00, 32855-00, 35503-00, 39710-00 | 92,920 | 4 | 0.52% | 18747-00, 22832-00, 31657-00, 31728-00, 36754-00, 40658-00 | 56,036 | 4 | 0.43% |
| 17419-01, 17420-01, 17435-00, 17436-00, 17438-00, 17440-00, 31121-00, 31123-00, 31596-00, 36089-00, 36090-00, 36156-00 | 89,115 | 5 | 0.49% | 17171-00 | 54,530 | 5 | 0.42% |
| 15726-00, 15743-00 | 82,377 | 6 | 0.46% | 36408-00 | 52,485 | 6 | 0.40% |
| 20157-00, 32854-00, 31089-00, 32916-00, 20156-00 | 62,241 | 7 | 0.35% | 32940, 32941, 37390, 40629 | 49,764 | 7 | 0.38% |
| 39432-00, 38435-00, 37156-00, 37155-00 | 54,311 | 8 | 0.30% | 21675-00, 32335-00 | 45,933 | 8 | 0.35% |
| 17171-00 | 52,826 | 9 | 0.29% | 15789-00 | 45,533 | 9 | 0.35% |
| 15789-00 | 48,442 | 10 | 0.27% | 31657-00 | 44,399 | 10 | 0.34% |
| Total | \$ 919,817 | | 5.1% | Total | \$ 544,438 | | 4.2% |
| Total Treated Water Sales | \$18,011,604 | | | Total Treated Water Sales | \$12,986,505 | | |

| <i>Raw Water</i> | | | | <i>Raw Water</i> | | | |
|--|--------------------|-------------|---------------------------------|---|---------------------|-------------|---------------------------------|
| 2023 | | | | 2013⁽³⁾ | | | |
| Customer Account Number(s)⁽¹⁾ | Total Sales | Rank | % of Sales⁽²⁾ | Customer Account Number(s)⁽¹⁾ | Total Sales | Rank | % of Sales⁽²⁾ |
| 39424-00, 35375-00 | \$ 478,257 | 1 | 6.39% | 39424-00, 35375-00 | \$ 361,390 | 1 | 7.41% |
| 18813-00, 39423-00 | 346,991 | 2 | 4.63% | 18813-00, 39423-00 | 281,520 | 2 | 5.77% |
| 21778-00 | 101,468 | 3 | 1.35% | 24794-00 | 219,209 | 3 | 4.50% |
| 23709-00, 23724-00, 24259-00, 35032-00 | 86,476 | 4 | 1.15% | 37013-00 | 71,527 | 4 | 1.47% |
| 17033-00 | 71,254 | 5 | 0.95% | 17033-00 | 67,317 | 5 | 1.38% |
| 22598-00, 22673-00 | 65,016 | 6 | 0.87% | 21778-00 | 60,304 | 6 | 1.24% |
| 23609-00, 23615-00, 37669-00, 23987-00, 35623-00, 41065-00 | 64,189 | 7 | 0.86% | 35032-00, 24259-00, 23724-00, 23709-00 | 55,053 | 7 | 1.13% |
| 22937-00, 41881-00, 34870-00, 36541-00 | 54,359 | 8 | 0.73% | 22598-00, 22673-00 | 41,118 | 8 | 0.84% |
| 37208-00 | 46,104 | 9 | 0.62% | 36965-00 | 36,537 | 9 | 0.75% |
| 23633-00 | 30,978 | 10 | 0.41% | 22937-00, 41881-00, 34870-00, 36541-00 | 34,874 | 10 | 0.72% |
| Total | \$1,345,093 | | 17.96% | Total | \$ 1,228,849 | | 25.20% |
| Total Raw Water Sales | \$7,489,472 | | | Total Raw Water Sales | \$4,876,339 | | |

Notes:

⁽¹⁾ Customer numbers are used in lieu of personal information. Customers may have multiple accounts.

⁽²⁾ "% of Sales" is expressed as a percentage of treated and raw water sales

⁽³⁾ Data not available for 2014

Nevada Irrigation District
Table 9: Principal Property Taxpayers
 Current Year & Nine Years Ago (2014-2015 first year District began reporting)

| 2022-2023 | | | | | 2014-2015 | | | | |
|--|------------------------------------|--------------------------|-------------------------|--|--|--|--------------------------|-------------------------|--|
| Rank | Taxpayer | Primary Land Use | Taxable Assessed Value | Percentage of Total Taxable Assessed Value | Rank | Taxpayer | Primary Land Use | Taxable Assessed Value | Percentage of Total Taxable Assessed Value |
| 1 | Taylor Morrison of California LLC | Residential Properties | \$ 42,685,084 | 0.23% | 1 | RI-Grass Valley LLC | Commercial Store | \$ 20,699,842 | 0.17% |
| 2 | EREP Auburn Village I LP | Commercial Store | 34,098,831 | 0.19 | 2 | FW CA Auburn Village LLC | Commercial Store | 19,430,000 | 0.16 |
| 3 | JPS Development LLC | Commercial Store | 27,161,394 | 0.15 | 3 | Kanmawr-Nevada City LLC | Office Building | 17,595,830 | 0.14 |
| 4 | RI-Grass Valley LLC | Commercial Store | 23,930,109 | 0.13 | 4 | Target Corporation | Commercial Store | 17,508,642 | 0.14 |
| 5 | Target Corporation | Commercial Store | 20,315,455 | 0.11 | 5 | Longs Drug Stores California Inc. | Office Building | 16,389,985 | 0.13 |
| 6 | GVSC LLC | Commercial Store | 18,304,824 | 0.10 | 6 | GVSC LLC | Commercial Store | 15,760,634 | 0.13 |
| 7 | Longs Drug Stores California Inc. | Commercial Store | 17,810,527 | 0.10 | 7 | JPS Development LLC | Shopping Center | 15,598,213 | 0.13 |
| 8 | Winterfell Auburn Oaks CA Owner LP | Assisted Living Facility | 17,373,088 | 0.09 | 8 | VTR Quail Ridge LP | Assisted Living Facility | 12,500,000 | 0.10 |
| 9 | Sterling Point Station LLC | Commercial Store | 17,154,283 | 0.09 | 9 | Irish Patricia, Trustee | Industrial | 12,375,631 | 0.10 |
| 10 | Lowes HIW Inc. | Commercial Store | 17,100,000 | 0.09 | 10 | Lowes HIW Inc. | Commercial Store | 12,000,000 | 0.10 |
| 11 | GVC Property 18 LLC | Residential Properties | 16,198,650 | 0.09 | 11 | HD Development of Maryland Inc. | Commercial Store | 11,841,850 | 0.10 |
| 12 | HD Development of Maryland Inc. | Commercial Store | 15,751,013 | 0.09 | 12 | Safeway Inc. | Commercial Store | 10,505,376 | 0.09 |
| 13 | Safeway Inc. | Commercial Store | 14,774,653 | 0.08 | 13 | Cresleigh Homes Corporation | Residential | 10,381,650 | 0.08 |
| 14 | Raley's | Commercial Store | 14,496,378 | 0.08 | 14 | 3830 Bronx Blvd. Associates LLC | Commercial Store | 9,990,149 | 0.08 |
| 15 | VTR Quail Ridge LP | Assisted Living Facility | 14,439,473 | 0.08 | 15 | Auburn Plaza LLC | Shopping Center | 9,217,950 | 0.07 |
| 16 | KRE Tiger Grass Valley LLC | Assisted Living Facility | 13,541,910 | 0.07 | 16 | Mahogany Investments LLC | Commercial Store | 8,973,054 | 0.07 |
| 17 | Auburn Plaza LLC | Shopping Center | 13,295,912 | 0.07 | 17 | Nine Plus LLC, et. Al. | Industrial | 8,779,036 | 0.07 |
| 18 | Cresleigh Homes Corporation | Residential Properties | 12,957,131 | 0.07 | 18 | Emerichip Emerald Hills LLC | Assisted Living Facility | 8,474,270 | 0.07 |
| 19 | North State Grocery Inc. (Lessee) | Commercial Store | 12,874,777 | 0.07 | 19 | Andrew L. and Shana A. Laursen, Trustees | Residential | 8,458,230 | 0.07 |
| 20 | Auburn RE LLC | Assisted Living Facility | 12,759,204 | 0.07 | 20 | Grass Valley Glade MHP Associates LP | Mobile Home Park | 8,297,000 | 0.07 |
| Total | | | \$ 377,022,696 | 2.06% | Total | | | \$ 254,777,342 | 2.06% |
| Total Secured Assessed Valuation: | | | \$18,333,359,491 | | Total Secured Assessed Valuation: | | | \$12,354,631,861 | |

Source: California Municipal Statistics, Inc.

Nevada Irrigation District
Table 10: Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

| Fiscal Year | State of California DWR Loans | Certificates of Participation | | | 2020A Revenue Bonds | Note Payable | Total Debt | Debt Per Capita | Imp District Bonds ⁽¹⁾ |
|-------------|-------------------------------|-------------------------------|-----------------------------------|---------------------|---------------------|--------------|------------|-----------------|-----------------------------------|
| | | 2005 | 2011 Revenue Bonds ⁽²⁾ | 2016A Revenue Bonds | | | | | |
| 2014 | 8,756,023 | 1,935,000 | 25,386,775 | - | - | 50,000 | 36,127,798 | 79.30 | 584,500 |
| 2015 | 7,560,214 | - | 23,255,000 | - | - | - | 30,815,214 | 67.06 | 565,400 |
| 2016 | 6,719,175 | - | 22,115,000 | 24,716,469 | - | - | 53,550,644 | 115.16 | 565,400 |
| 2017 | 6,258,389 | - | 20,950,000 | 23,866,037 | - | - | 51,074,426 | 108.70 | 545,300 |
| 2018 | 5,771,019 | - | 20,450,833 | 22,987,254 | - | - | 49,209,106 | 103.76 | 449,400 |
| 2019 | 5,288,888 | - | 19,104,348 | 22,078,471 | - | - | 46,265,606 | 96.46 | 428,500 |
| 2020 | 4,784,523 | - | - | 20,936,938 | 17,589,454 | - | 43,310,915 | 88.63 | 406,700 |
| 2021 | 4,259,440 | - | - | 19,966,507 | 15,998,131 | - | 40,224,078 | 81.16 | 359,700 |
| 2022 | 3,742,594 | - | - | 17,471,076 | 13,876,807 | - | 35,090,477 | 71.20 | 334,400 |
| 2023 | 3,213,878 | - | - | 17,170,644 | 13,715,484 | - | 34,100,006 | 68.46 | 307,800 |

Note: Details regarding the District's debt can be found in the notes to the financial statements.

Revenue bond debt is principal net of premiums/discounts.

(1) The \$307,800 due from the Rodeo Flat Improvement District represents the Rodeo Flat Improvement Bonds for which the District is the bondholder.

(2) Revenue Bond 2011 was refinanced with Revenue Bond 2020A.

Notes to the basic financial statements, Note 5.

Nevada Irrigation District
Table 11: Computation of Direct and Overlapping Bonded Debt
December 31, 2023

2022-23 Assessed Valuation: \$18,713,263,253

| <u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u> | Total Debt <u>12/31/2023</u> | <u>% Applicable (1)</u> | District's Share of <u>Debt 12/31/23</u> |
|--|---------------------------------|-------------------------|---|
| Sierra Joint Community College District School Facilities Improvement District No. 2 | \$19,157,648 | 85.047% | \$16,293,005 |
| Sierra Joint Community College District School Facilities Improvement District No. 4 | 201,485,000 | 6.887 | \$13,876,272 |
| Western Placer Unified School District | 103,280,000 | 24.863 | \$25,678,506 |
| Nevada Joint Union High School District | 46,130,000 | 84.567 | \$39,010,757 |
| Placer Union High School District | 16,942,325 | 15.664 | \$2,653,846 |
| Placer Union High School District School Facilities Improvement District No. 1 | 38,965,000 | 35.598 | \$13,870,761 |
| Placer Union High School District School Facilities Improvement District No. 2 | 37,930,000 | 4.725 | \$1,792,193 |
| Grass Valley School District | 17,010,000 | 79.435 | \$13,511,894 |
| Loomis Union School District | 100,000 | 0.083 | \$83 |
| Nevada Irrigation District | 0 | 100.000 | \$0 |
| California Municipal Finance Authority Community Facilities District No. 2021-13 | 13,520,000 | 100.000 | \$13,520,000 |
| City of Lincoln Community Facilities District No. 2003-1 | 51,495,000 | 19.855 | \$10,224,332 |
| Western Placer Unified School District Community Facilities District No. 1 | 26,067,757 | 0.307 | \$80,028 |
| Western Placer Unified School District Community Facilities District No. 2 | 34,980,000 | 19.765 | \$6,913,797 |
| City of Lincoln 1915 Act Bonds | 8,400,000 | 26.804 | \$2,251,536 |
| California Statewide Communities Development Authority 1915 Act Bonds | 5,701,500 | .072-100. | \$5,257,923 |
| TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT | | | \$164,934,933 |
| <u>OVERLAPPING GENERAL FUND DEBT:</u> | | | |
| Nevada County General Fund Obligations | \$24,968,625 | 52.813% | \$13,186,680 |
| Nevada County Office of Education General Fund Obligations | 656,215 | 52.813 | 346,567 |
| Placer County General Fund Obligations | 77,380,000 | 5.964 | 4,614,943 |
| Sierra County Pension Obligation Bonds | 16135000 | 0.034 | 5,486 |
| Sierra Joint Community College District Certificates of Participation | 605,000 | 14.599 | 88,324 |
| Western Placer Unified School District General Fund Obligations | 136,057,598 | 24.863 | 33,828,001 |
| Auburn Union School District General Fund Obligations | 30,166,412 | 38.355 | 11,570,327 |
| Other School District General Fund Obligation | 1,896,852 | Various | 1,337,545 |
| City of Auburn Pension Obligation Bonds | 18,430,000 | 3.343 | 616,115 |
| City of Lincoln General Fund Obligations | 11,065,000 | 20.717 | 2,292,336 |
| City of Grass Valley General Fund Obligations | 3,711,761 | 59.783 | 2,219,002 |
| Auburn Area Recreation and Park District General Fund Obligations | 1,897,000 | 27.459 | 520,897 |
| Penn Valley Fire Protection District General Fund Obligations | 902,206 | 98.655 | 890,071 |
| Placer Hills Fire Protection District General Fund Obligations | 558,056 | 0.048 | 268 |
| Placer Mosquito & Vector Control District General Fund Obligations | 1,566,000 | 5.964 | 93,396 |
| TOTAL OVERLAPPING GENERAL FUND DEBT | | | \$71,609,958 |
| <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u> | | | |
| Placer County Tax Allocation Bonds | \$14,865,000 | 7.994% | \$1,188,308 |
| City of Grass Valley Tax Allocation Bonds | 6,915,000 | 12.965 | 896,530 |
| TOTAL OVERLAPPING TAX INCREMENT DEBT | | | \$2,084,838 |
| TOTAL DIRECT DEBT | | | \$0 |
| TOTAL OVERLAPPING DEBT | | | \$238,629,729 |
| COMBINED TOTAL DEBT | | | \$238,629,729 |

(2)

(1) The percentage of overlapping debt applicable to the district is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the district divided by the overlapping district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2022-23 Assessed Valuation:

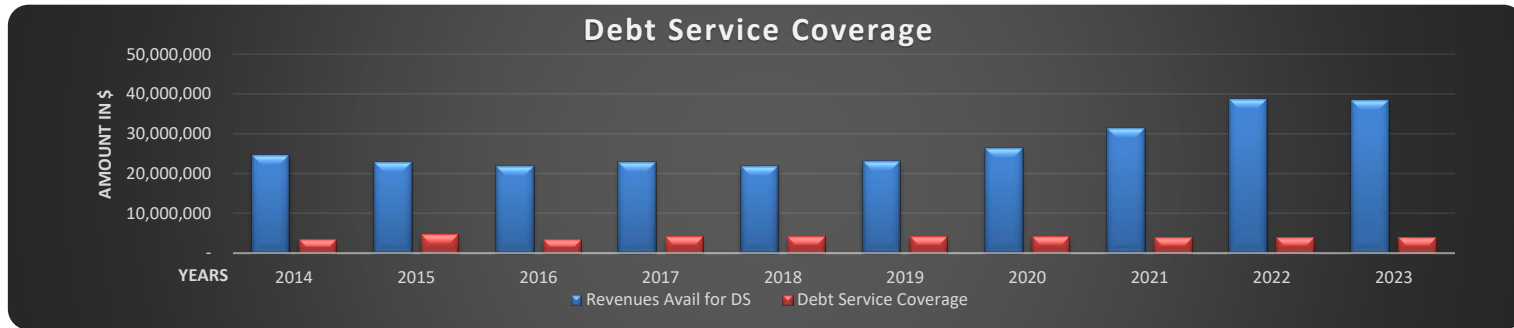
| | |
|--|--------------|
| Direct Debt | 0.00% |
| Total Direct and Overlapping Tax and Assessment Debt | 0.88% |
| Combined Total Debt | 1.28% |

Nevada Irrigation District
Table 12: Ratio of Annual Debt Service Expenses for All Debt to Total General Expenses
 Last Ten Fiscal Years

| Fiscal Year | Principal | Interest | Total Debt Service | Total Operating Expenses | Ratio of Debt Service to Total Operating Expenses |
|--------------------|------------------|-----------------|---------------------------|---------------------------------|--|
| 2014 | 2,400,467 | 1,320,756 | 3,721,223 | 39,063,389 | 9.53% |
| 2015 | 4,275,809 | 1,265,805 | 5,541,614 | 40,977,548 | 13.52% |
| 2016 | 1,951,039 | 1,885,641 | 3,836,680 | 45,525,067 | 8.43% |
| 2017 | 2,175,800 | 2,013,888 | 4,189,688 | 49,269,833 | 8.50% |
| 2018 | 2,255,900 | 1,933,974 | 4,189,874 | 55,401,187 | 7.56% |
| 2019 | 2,352,130 | 1,837,419 | 4,189,549 | 57,130,515 | 7.33% |
| 2020 | 2,469,366 | 1,730,221 | 4,199,587 | 53,387,504 | 7.87% |
| 2021 | 2,625,083 | 1,354,417 | 3,979,500 | 55,812,059 | 7.13% |
| 2022 | 2,541,846 | 1,425,010 | 3,966,855 | 59,383,127 | 6.68% |
| 2023 | 2,658,716 | 1,309,265 | 3,967,980 | 64,476,431 | 6.15% |

Source: Nevada Irrigation District Finance Department

Nevada Irrigation District
Table 13: Debt Service Coverage
 Last Ten Fiscal Years



| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Water Operating Revenue | | | | | | | | | | |
| Water Sales | \$ 18,879,014 | \$ 18,182,972 | \$ 19,965,010 | \$ 21,754,315 | \$ 23,401,901 | \$ 23,380,147 | \$ 27,876,917 | \$ 30,927,958 | \$ 28,216,392 | \$ 27,827,551 |
| Other Sales | 977,335 | 3,374,192 | 3,121,891 | 3,326,241 | 3,999,864 | 3,736,699 | 1,869,540 | 1,439,965 | 1,929,386 | 1,430,979 |
| Total Operating | 19,856,349 | 21,557,164 | 23,086,901 | 25,080,556 | 27,401,765 | 27,116,846 | 29,746,457 | 32,367,923 | 30,145,778 | 29,258,530 |
| Other Revenues⁽¹⁾ | | | | | | | | | | |
| 1% Property Taxes | 10,108,508 | 10,707,911 | 11,363,997 | 11,750,933 | 12,331,723 | 13,092,532 | 13,452,475 | 14,188,393 | 15,599,621 | 16,444,213 |
| Interest Earned | 633,073 | 446,313 | (51,388) | 1,534,099 | 1,281,588 | 1,701,402 | 1,271,584 | 1,116,469 | 1,414,941 | 2,035,125 |
| Grants | 412,468 | 937,659 | 1,501,698 | 1,102,666 | 2,165,910 | 3,629,278 | 654,276 | 997,635 | 1,290,979 | 1,397,475 |
| Other Revenues | 73,439 | 165,016 | 206,283 | 157,512 | 228,510 | 172,268 | 170,889 | 106,185 | 453,148 | 466,242 |
| Total Other | 11,227,488 | 12,256,899 | 13,020,590 | 14,545,210 | 16,007,731 | 18,595,480 | 15,549,224 | 16,408,682 | 18,758,689 | 20,343,055 |
| Total Water Revenues | 31,083,837 | 33,814,063 | 36,107,491 | 39,625,766 | 43,409,496 | 45,712,326 | 45,295,681 | 48,776,605 | 48,904,467 | 49,601,585 |
| Water O & M Costs⁽²⁾ | 22,484,107 | 25,573,767 | 28,862,448 | 31,097,658 | 36,266,708 | 37,988,003 | 34,745,663 | 35,085,620 | 19,545,794 | 25,904,260 |
| Net Water Revenues | 8,599,730 | 8,240,296 | 7,245,043 | 8,528,108 | 7,142,788 | 7,724,323 | 10,550,018 | 13,690,985 | 29,358,673 | 23,697,325 |
| Hydro Revenues | 21,607,754 | 21,200,110 | 22,475,301 | 23,662,146 | 23,580,395 | 24,467,350 | 24,150,055 | 24,268,428 | 25,023,700 | 25,612,158 |
| Hydro O & M⁽³⁾ | 5,610,905 | 6,622,660 | 7,775,377 | 9,200,564 | 8,870,840 | 9,106,265 | 8,310,724 | 6,622,086 | 15,784,791 | 10,940,638 |
| Net Hydro Revenues | 15,996,849 | 14,577,450 | 14,699,924 | 14,461,582 | 14,709,555 | 15,361,085 | 15,839,331 | 17,646,342 | 9,238,909 | 14,671,520 |
| Revenues Avail for DS | 24,596,579 | 22,817,746 | 21,944,967 | 22,989,690 | 21,852,343 | 23,085,408 | 26,389,349 | 31,337,328 | 38,597,582 | 38,368,845 |
| Debt Service | | | | | | | | | | |
| 2005 COPs | 1,110,663 | 1,968,863 | - | - | - | - | - | - | - | - |
| 2011A Revenue Bonds | 2,081,219 | 2,078,218 | 2,084,219 | 2,074,644 | 2,077,969 | 2,077,144 | 2,077,269 | - | - | - |
| 2016A Revenue Bonds | - | - | 354,787 | 1,503,850 | 1,500,725 | 1,500,225 | 1,500,225 | 1,502,600 | 1,503,225 | 2,233,350 |
| 2020A Revenue Bonds | - | - | - | - | - | - | - | 1,845,423 | 1,852,450 | 1,123,450 |
| CDPH Loan, Other | 305,343 | 806,035 | 1,011,179 | 611,194 | 611,180 | 611,180 | 622,093 | 631,477 | 611,181 | 611,180 |
| Total Debt Service | 3,497,225 | 4,853,116 | 3,450,185 | 4,189,688 | 4,189,874 | 4,188,549 | 4,199,587 | 3,979,500 | 3,966,856 | 3,967,980 |
| Debt Service Coverage | 7.03 | 4.70 | 6.36 | 5.49 | 5.22 | 5.51 | 6.28 | 7.87 | 9.73 | 9.67 |

Notes

(1) Excludes Contributed Capital, Disposal of capital assets - gain/(loss), Unrealized gain/(loss) on investment, Capacity Fees, Transfer In/(Out), includes Recreation Revenues.

(2) Excludes Depreciation and amortization, includes Recreation expenses.

(3) Prior to 2013, portions of Hydroelectric O&M was covered by PG&E contract and are difficult to estimate, Yuba Bear Bonds were considered. Hydro's Revenue & O&M taken from Series 2011A Official Statement.

Nevada Irrigation District
Table 14: Labor Force and Employment for Counties Served (Nevada & Placer)
 Current Year and Ten Years Ago

| Placer County | | | | | | | | |
|--------------------------------------|------|-----|---------------------------|-------------------------------------|------|-----|---------------------------|--|
| Fiscal Year 2022 | | | Fiscal Year 2013 | | | | | |
| Industry Title | Rank | % | Annual average employment | Industry Title | Rank | % | Annual average employment | |
| Total Non Farm | 1 | 26% | 185,800 | Civilian Employment | 1 | 28% | 161,500 | |
| Civilian Employment | 2 | 26% | 185,700 | Total Non Farm | 2 | 25% | 141,000 | |
| Service/Private service providing | 3 | 22% | 158,900 | Service Providing | 3 | 22% | 125,000 | |
| Educational and Health Services | 4 | 5% | 32,500 | Trade, Transportation and Utilities | 4 | 5% | 28,600 | |
| Trade, Transportation, and Utilities | 5 | 4% | 32,000 | Educational and Health Services | 5 | 4% | 23,000 | |
| Goods-Producing | 6 | 4% | 26,900 | Retail Trade | 6 | 4% | 21,500 | |
| Leisure and Hospitality | 7 | 4% | 26,000 | Leisure and Hospitality | 7 | 4% | 20,200 | |
| Professional and Business Services | 8 | 4% | 25,100 | Local Government | 8 | 3% | 17,600 | |
| Retail Trade | 9 | 3% | 22,800 | Goods Producing | 9 | 3% | 16,000 | |
| Mining, Logging, and Construction | 10 | 3% | 19,800 | Professional and Business Services | 10 | 3% | 15,300 | |
| Total, All Industries | | | 100% <u>715,500</u> | Total, All Industries | | | 100% <u>569,700</u> | |

| Nevada County | | | | | | | | |
|-------------------------------------|------|-----|---------------------------|---|------|-----|---------------------------|--|
| Fiscal Year 2022 | | | Fiscal Year 2013 | | | | | |
| Industry Title | Rank | % | Annual average employment | Industry Title | Rank | % | Annual average employment | |
| Service/Private Service Providing | 1 | 27% | 50,960 | Civilian Employment | 1 | 26% | 44,060 | |
| Civilian Employment | 2 | 25% | 46,380 | Service/Private Service Providing | 2 | 27% | 45,050 | |
| Total Non Farm | 3 | 18% | 33,530 | Total Non Farm | 3 | 17% | 29,430 | |
| Total Private | 4 | 14% | 27,170 | Total Private | 4 | 14% | 23,460 | |
| Local Government | 5 | 3% | 5,680 | Local Government | 5 | 3% | 5,150 | |
| Educational and Health Services | 6 | 3% | 5,560 | Private Educational and Health Services | 6 | 3% | 4,990 | |
| Trade, Transportation and Utilities | 7 | 3% | 5,170 | Trade, Transportation and Utilities | 7 | 3% | 4,670 | |
| Leisure and Hospitality | 8 | 3% | 5,170 | Leisure and Hospitality | 8 | 3% | 4,560 | |
| Goods Producing | 9 | 3% | 4,870 | Goods Producing | 9 | 2% | 3,920 | |
| Retail Trade | 10 | 2% | 4,030 | Retail Trade | 10 | 2% | 3,770 | |
| Total, All Industries | | | 100% <u>188,520</u> | Total, All Industries | | | 100% <u>169,060</u> | |

Sources:

EDD Annual Census of Employment and Wages

Retrieved from: <https://www.labormarketinfo.edd.ca.gov/qcew/qcew-select.asp>

Nevada Irrigation District
Table 15: Demographic and Economic Statistics
 Last Ten Fiscal Years

| | Population | | Total Personal Income | | Per Capita Personal Income | | Unemployment | |
|------|----------------------|----------------------|-----------------------|----------------------|----------------------------|----------------------|----------------------|----------------------|
| | <u>Nevada County</u> | <u>Placer County</u> | <u>Nevada County</u> | <u>Placer County</u> | <u>Nevada County</u> | <u>Placer County</u> | <u>Nevada County</u> | <u>Placer County</u> |
| 2013 | 98,761 | 366,182 | \$ 4,908,213,000 | \$ 19,543,115,000 | \$ 49,698 | \$ 53,370 | 8.20% | 7.80% |
| 2014 | 99,649 | 370,255 | \$ 5,202,450,000 | \$ 20,675,618,000 | \$ 52,208 | \$ 55,842 | 6.60% | 6.30% |
| 2015 | 100,009 | 374,135 | \$ 5,390,503,000 | \$ 22,167,603,000 | \$ 53,900 | \$ 59,250 | 5.50% | 5.10% |
| 2016 | 100,485 | 380,580 | \$ 5,647,546,000 | \$ 23,334,579,000 | \$ 56,203 | \$ 61,313 | 4.80% | 4.50% |
| 2017 | 101,226 | 387,160 | \$ 5,744,967,000 | \$ 24,524,994,000 | \$ 56,754 | \$ 63,346 | 4.10% | 3.90% |
| 2018 | 101,530 | 394,841 | \$ 5,865,134,000 | \$ 25,750,860,000 | \$ 57,767 | \$ 65,218 | 3.50% | 3.20% |
| 2019 | 101,962 | 401,317 | \$ 6,256,190,000 | \$ 27,430,466,000 | \$ 61,358 | \$ 68,351 | 3.40% | 3.10% |
| 2020 | 102,199 | 405,741 | \$ 6,709,554,000 | \$ 29,724,947,000 | \$ 65,652 | \$ 73,261 | 8.10% | 7.50% |
| 2021 | 103,487 | 412,300 | \$ 7,137,821,000 | \$ 31,684,782,000 | \$ 68,973 | \$ 76,849 | 5.70% | 5.10% |
| 2022 | 102,293 | 417,772 | \$ 7,442,705,000 | \$ 34,170,169,000 | \$ 72,759 | \$ 81,791 | 3.50% | 3.10% |

Sources: *State of California Department of Finance*
State of California Employment Development Department
US Bureau of Economic Analysis
 Information updated for all years as per latest information available

Nevada Irrigation District
Table 16: Water System Capital Asset and Operating Indicators
 Last Ten Fiscal Years

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Facilities: | | | | | | | | | | |
| # of Treatment Plants | 7 | 7 | 7 | 7 | 6 | 6 | 6 | 6 | 6 | 6 |
| Plant Capacity (MGD) | 41.7 | 41.7 | 41.7 | 41.7 | 41.4 | 41.4 | 41.4 | 41.4 | 41.4 | 41.4 |
| # of Reservoirs | 10 | 10 | 10 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| # of Hydroelectric Power Plants | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 8 |
| Canals (miles) | 475 | 475 | 475 | 475 | 475 | 475 | 475 | 475 | 519 | 519 |
| Pipelines (miles) | 400 | 400 | 400 | 401 | 405 | 406 | 411 | 411 | 432 | 432 |
| # of Fire Hydrants ⁽¹⁾ | - | 2,449 | 2,478 | 2,514 | 2,554 | 2,566 | 2,592 | 2,593 | 2,606 | 2,609 |
| # of Valves ⁽¹⁾ | - | 3,643 | 3,689 | 3,798 | 3,814 | 3,848 | 3,875 | 3,928 | 3,960 | 3,966 |
| # of Pumping Stations ⁽¹⁾ | - | 21 | 22 | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| Water Supply Available (AF): | | | | | | | | | | |
| Watershed Runoff | 120,041 | 77,378 | 253,180 | 582,626 | 172,966 | 256,853 | 128,661 | 109,746 | 167,880 | 342,679 |
| Carryover Storage | 179,724 | 149,930 | 242,431 | 211,776 | 177,141 | 199,872 | 162,960 | 176,943 | 211,513 | 200,687 |
| PG&E Contract Water | 34,400 | 25,716 | 59,361 | 59,361 | 59,361 | 59,361 | 37,128 | 30,073 | 31,837 | 54,361 |
| Total Water Supply | 334,165 | 253,024 | 554,972 | 853,763 | 409,468 | 516,086 | 328,749 | 316,762 | 411,230 | 597,727 |
| Water Supply Delivered: (AF) | | | | | | | | | | |
| Treated | 8,410 | 8,521 | 7,202 | 7,892 | 8,189 | 8,015 | 8,805 | 8,548 | 7,814 | 7,602 |
| Raw | 117,566 | 118,641 | 119,385 | 121,025 | 121,173 | 118,204 | 120,141 | 119,513 | 121,036 | 120,972 |
| Total Water Supply Delivered | 125,976 | 127,162 | 126,587 | 128,917 | 129,362 | 126,219 | 128,946 | 128,061 | 128,850 | 128,574 |
| Connections: | | | | | | | | | | |
| Treated Water | 18,991 | 19,077 | 19,135 | 19,282 | 19,432 | 19,519 | 19,667 | 19,782 | 19,901 | 19,939 |
| Irrigation | 4,913 | 4,963 | 5,128 | 5,220 | 5,186 | 5,188 | 5,215 | 5,237 | 5,288 | 5,208 |
| Total Connections | 23,904 | 24,040 | 24,263 | 24,502 | 24,618 | 24,707 | 24,882 | 25,019 | 25,189 | 25,147 |

Note: (1) Data not available from 2013 through 2014

Source: Nevada Irrigation District Finance and Operations Department

Nevada Irrigation District
Table 17: Full Time Equivalent
 Last Ten Fiscal Years

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Management | | | | | | | | | | |
| Administration | 4 | 5 | 5 | 6 | 6 | 5 | 5 | 5 | 5 | 6 |
| Central Files | 3 | 3 | 3 | 3 | 4 | 3 | 3 | 2 | 2 | 2 |
| Human Resources | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 2 | 2 |
| Safety | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 |
| Watershed | | | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 |
| Engineering | 20 | 19 | 20 | 18 | 19 | 20 | 17 | 19 | 18 | 14 |
| Finance | | | | | | | | | | |
| Accounting | 6 | 7 | 7 | 6 | 7 | 7 | 7 | 7 | 9 | 8 |
| Information Technology | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 2 |
| Purchasing | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 4 | 4 |
| Hydroelectric | 22 | 21 | 24 | 25 | 28 | 31 | 29 | 35 | 34 | 30 |
| Recreation | 6 | 7 | 9 | 7 | 9 | 9 | 9 | 9 | 7 | 6 |
| Maintenance | | | | | | | | | | |
| Operations | 55 | 61 | 62 | 65 | 66 | 56 | 56 | 63 | 57 | 55 |
| Shop Operations | 2 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 2 |
| Vegetation | | | | | 6 | 6 | 6 | 6 | 6 | 6 |
| Water | | | | | | | | | | |
| Operations/Treatment | 29 | 34 | 45 | 43 | 46 | 41 | 41 | 32 | 43 | 41 |
| Cashiering | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 2 |
| Customer Service (Includes Dispatchers) | 5 | 6 | 6 | 7 | 9 | 10 | 10 | 9 | 9 | 8 |
| Total FTEs | 165 | 179 | 197 | 198 | 219 | 208 | 203 | 208 | 209 | 192 |

Sources:

Nevada Irrigation District Finance Department/Human Resources Department

**NEVADA IRRIGATION DISTRICT
GOVERNMENT AUDITING STANDARDS REPORT AND
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED
DECEMBER 31, 2023**

**MUN CPAs, LLP
1760 Creekside Oaks Drive, Suite 160
Sacramento, California 95833**

**NEVADA IRRIGATION DISTRICT
GOVERNMENT AUDITING STANDARDS REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023**

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 1 - 2 |
| Schedule of Findings and Responses | 3 |
| Schedule of Prior Year Findings | 4 |



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Nevada Irrigation District
Grass Valley, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund of Nevada Irrigation District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Nevada Irrigation District's basic financial statements, and have issued our report thereon dated June 18, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

MUN CPAs.LLP

Sacramento, California
June 18, 2024

**NEVADA IRRIGATION DISTRICT
SCHEDULE OF CURRENT YEAR FINDINGS
DECEMBER 31, 2023**

None

**NEVADA IRRIGATION DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS
DECEMBER 31, 2023**

Finding 2022-001 Capital Assets (Significant Deficiency)

Condition

The District identified \$1.1 million in capital asset adjustments that needed to be recorded as a prior period adjustment.

Recommendation

We recommend the District ensure the capital asset schedules reconcile to actual capital asset inventory.

Status

Implemented



June 18, 2024

To the Board of Directors
Nevada Irrigation District
Grass Valley, California

In planning and performing our audit of the financial statements of Nevada Irrigation 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 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 18, 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.

The District's responses to the findings identified in our audit are described in the accompanying schedule of control deficiencies and internal control recommendations. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, 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

Nevada Irrigation District
Control Deficiencies and Internal Control Recommendations
December 31, 2023

Cash Receipts (Repeat)

During our testing of internal controls over cash receipts, we noted the District implemented additional oversight and review of cash receipts, however there is no documentation of this review occurring. We recommend Management maintain documentation supporting the oversight and review of cash receipts.

Views of Responsible Officials:

We will implement a process wherein the customer service manager and the director of recreation will need to sign-off on their daily reconciling cash deposit spreadsheets to show that they have reviewed them.

Cash

During our testing of bank reconciliations, we noted the District incorrectly included journal entries that needed to be posted as reconciling items between the reconciled bank balance and the general ledger balance. We recommend that all adjustments be posted to the general ledger when noted during the reconciliation process.

Views of Responsible Officials:

We are using a new bank reconciliation format that ensures we are posting all reconciling entries to the general ledger to the correct month before closing out the month. We have created a new excel bank reconciliation worksheet, updated this process and are using it going forward.

Nevada Irrigation District
Status of Prior Year Recommendations
December 31, 2023

Cash Receipts (Repeat)

During our audit procedures over cash receipts internal controls, we noted a lack of oversight and secondary review of most cash receipt transactions, lack of controls performed at the recreation sites (campgrounds, docks, etc.), and no evidence of review and approval of the cash receipts journal entry. We recommend the District implement additional oversight procedures regarding cash receipts transactions, develop and implement secondary review processes over cash receipts transactions, increased oversight and review by the Finance Department, implement additional controls over cash receipts at the recreation sites to ensure all cash collected is properly recorded, and implement a formal review process to properly document that journal entries have been reviewed and approved by authorized personnel.

Status: Partially Implemented

Policies and Procedures (Repeat)

During our audit, we noted the District's policies and procedures had not been updated in several years. We recommend the District review and update the financial policies and procedures to conform to the actual procedures being performed.

Status: Implemented

Financial Reporting

During our audit procedures over internal controls over financial reporting and journal entries, we noted multiple journal entries were prepared and posted by the same individual. We also noted multiple bank reconciliations and GL account reconciliations were performed by individuals on a timely basis, however, review and approval was not performed timely. We recommend the District implements a process to separate individuals from reviewing and posting entries they have made and performs review and approval of bank reconciliations and GL account reconciliations on a timely basis.

Status: Implemented in June 2023

Cash Disbursements

During our audit procedures over credit card internal controls, we noted individual credit card holders approving their own expenses. We recommend the District implements an independent review process over credit card transactions, provide training, and update policies and procedures over credit card purchases.

Status: Implemented

Refundable Deposits / Unapplied Credit

During our audit procedures over refundable deposits/unapplied credits, we noted the account included deposits received from customers for future tie-in to the District's system along with customer overpayments. We recommend the District separate deposits from customers and customer overpayment and record the amounts in separate accounts so the deposits can be properly reported in the financial statements.

Status: Implemented



June 18, 2024

To the Board of Directors
Nevada Irrigation District
Grass Valley, California

We have audited the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Nevada Irrigation District (the District) for the year ended December 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 2, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Depreciation: Management's estimate of depreciation is based on the District's capitalization policy.

Net pension liability and net other post-employment benefits (OPEB) liability: Management estimates for the net pension and net OPEB liabilities are based on actuarial valuations.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The material misstatements in Attachment A were detected as a result of audit procedures and were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 18, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting

principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, the changes in the net pension liability and related ratios, the schedule of contributions to the pension plan, the schedule of changes in the net OPEB liability and related ratios, and the schedule of contributions to the OPEB plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the introductory and statistical sections of the annual comprehensive financial reports, and the capacity fee schedule, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

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

Very truly yours,

MUN CPAs, LLP

MUN CPAs, LLP

NEVADA IRRIGATION DISTRICT
SUMMARY OF AUDIT ADJUSTMENTS
December 31, 2023

| Description | Effect - Increase (Decrease) | | | | |
|--------------------------------------|------------------------------|-------------------|-------------|-------------|---------------------|
| | Assets/DO | Liabilities/DI | Equity | Revenue | Expenses |
| <u>Current Year Differences</u> | | | | | |
| To correct accounts payable | \$ - | \$ 240,099 | \$ - | \$ - | \$ (240,099) |
| Total Income Statement Effect | | | | <u>\$ -</u> | <u>\$ (240,099)</u> |
| Balance Sheet Effect | <u>\$ -</u> | <u>\$ 240,099</u> | <u>\$ -</u> | | |



NID

SUMMARY OF AUDIT RESULTS

NEVADA IRRIGATION DISTRICT
YEAR ENDED DECEMBER 31, 2023



M·U·N

JUSTIN WILLIAMS, CPA

AUDITOR & MANAGEMENT RESPONSIBILITIES

- Management is responsible for the preparation and presentation of the financial statements.
- Purpose of an audit is to provide financial statement users with an independent opinion on whether the financial statements are presented fairly, in all material respects, and in accordance with applicable accounting standards (GAAP).

AUDIT PROCESS

- Fieldwork – Week of April 29th
 - Planning – risk assessment, review of Board minutes, management inquiry
 - Documentation and testing of internal controls
 - Cash Receipts/Revenue
 - Disbursements/Expenses
 - HR and Payroll
 - Journal entries, bank reconciliations, financial reporting

AUDIT PROCESS

- Fieldwork - (Continued)
 - Testing of Year-End Balances and Activity
 - Confirmation of balances
 - Cut-off testing – receivables and payables
 - Detail tests of transactions
 - Analytical review
 - Financial Statements

AUDIT REPORTING

- Reporting Results of the Audit
 - Audit Opinion - Independent Auditor's Report
 - Government Auditing Standards (GAS) Report
 - Audit Conclusion Letter to those Charged with Governance
 - Management Letter

AUDIT RESULTS – FINANCIAL STATEMENTS

- Independent Auditor's Report
 - Types of opinions: Unmodified, qualified, adverse, and disclaimer
 - NID December 31, 2023: Unmodified ("Clean") Audit Opinion
 - No material misstatements
 - Financial statements are presented in accordance with GAAP

AUDIT RESULTS – GOVERNMENT AUDITING STANDARDS

- Government Auditing Standards Report
 - No Material Weaknesses
 - No Significant Deficiencies
 - No Compliance Exceptions

AUDIT RESULTS – CONCLUSION LETTER

- Communication with Those Charged with Governance
 - Accounting Policies
 - No new accounting pronouncements or policies implemented during the year
 - Accounting Estimates
 - Depreciation
 - Unfunded pension liability – GASB 68, OPEB liability – GASB 75

AUDIT RESULTS – CONCLUSION LETTER

- Communication with Those Charged with Governance (continued)
 - Difficulties Encountered in Performing the Audit
 - None
 - Disagreements with Management
 - None
 - Audit adjustments
 - 1 audit adjustment to accounts payable
 - Passed audit adjustments
 - None

AUDIT RESULTS – MANAGEMENT LETTER

- Management letter reports control deficiencies or recommendations for improvement
 - Lack of documentation of new cash receipts review procedures
 - Journal entries incorrectly included as part of bank reconciliations
- All prior year recommendations implemented with the exception of cash receipts, which was partially implemented

SUMMARY OF AUDIT RESULTS

- Reporting Results of the Audit
 - Unmodified (“Clean”) opinion on financial statements
 - 1 audit adjustment
 - No material weaknesses or significant deficiencies
 - 2 recommendations for improvement

QUESTIONS?

Justin Williams, Partner
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