

**Audit Report**  
**TRI GENERAL IMPROVEMENT DISTRICT**  
**June 30, 2025**

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 TRI General Improvement 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 TRI General Improvement District's ability to continue as a going concern for a reasonable period of time.

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 TRI General Improvement 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 TRI General Improvement 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.



**DiPietro & Thornton**  
CERTIFIED PUBLIC ACCOUNTANTS

Joseph F. Costanza, CPA  
Scott A. Westover, CPA  
Theresa M. Westover, CPA

To the Board of Trustees  
TRI General Improvement District McCarran, Nevada

**Report on Financial Statements**

We have audited the accompanying financial statements of the business-type activities of TRI General Improvement District (the "District"), a component unit of Storey County as of and for the year ended June 30, 2025, 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 business-type activities of the District, as of June 30, 2025, 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.

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the TRI General Improvement District 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.

### ***Required Supplemental Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 5 through 9 and the schedules of other post-employment benefits and the District's proportionate share of the net pension liability contributions on pages 26-27 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 Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriated 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 TRI General Improvement District's basic financial statements. The budgetary comparison financial statements for the major capital projects fund, combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2025, an our consideration of the District's internal control over financial reporting and an 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 TRI General Improvement District's internal control over financial reporting or an 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.



December 16, 2025  
Reno, NV

**Management Discussion and Analysis**  
**TRI GENERAL IMPROVEMENT DISTRICT**  
**June 30, 2025**

TRI General Improvement District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2025

As management of the TRI General Improvement District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025.

**Financial Highlights**

The assets of the TRI General Improvement District exceeded its liabilities at the close of the current fiscal year by \$122,199,047. Of this amount \$13,013,990 is *unrestricted, undesignated net position* that may be used to meet the District's ongoing obligations to users and creditors. The remaining amounts is invested in capital assets (\$109,185,057).

The District's *total net position* increased by \$5,081,922 during the current year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the TRI General Improvement District's financial statements. The District's basic financial statements comprise two components: 1) government-wide financial statements and 2) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

The financial statements have been prepared in accordance with generally accepted accounting principles as they apply to governmental units. The financial statements include a statement of net position, a statement of revenue, expenses and changes in net position, a statement of cash flows, and notes to the financial statements.

The statement of net position presents the financial position of the District on the full accrual basis as net position. This statement provides information on the District's assets and liabilities with the difference reported as net position and information about the nature and amount of resources and obligations at year-end. Over time, increases and decreases in net position are one indicator of whether the financial position of the District is improving or deteriorating.

The statement of revenue, expenses, and changes in net position presents the results of the activities over the course of the fiscal year and information as to how the net position changed during the most recent year. The changes in net position under the full accrual method are recorded as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the District's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

The District also adopts annual appropriated budgets. Budgetary comparison statements have been provided to demonstrate compliance with the budget.

TRI General Improvement District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2025

**Statement of Net Position**

<u>Years Ended June 30,</u>	<u>2025</u>	<u>2024</u>
Cash	\$ 13,222,619	\$ 8,013,291
Accounts receivable	1,323,381	949,526
Prepaid expenses	201,118	117,490
Lease receivable	271,771	281,996
Capital assets	<u>109,213,849</u>	<u>109,234,286</u>
Total assets	124,232,738	118,596,589
Deferred outflow of resources	<u>980,595</u>	<u>1,083,554</u>
Total assets and deferred outflow of resources	125,213,333	119,680,143
Liabilities	<u>2,581,919</u>	<u>2,240,970</u>
Deferred inflow of resources	<u>432,367</u>	<u>281,212</u>
 Net position	 <u>\$ 122,199,047</u>	 <u>\$ 117,157,961</u>

The largest portion of the TRI General Improvement District's net position (90%) reflects its investment in capital assets (e.g. buildings (including treatment facilities), well houses and machinery and equipment). The District uses these capital assets to provide services to users; consequently, these assets are not available for future spending.

The remaining balance of *unrestricted net position* (\$13,013,990), may be used to meet the District's ongoing obligations to its users and creditors.

**Statement of Revenue and Expenses**

<u>Years Ended June 30,</u>	<u>2025</u>	<u>2024</u>
Charges for water services	\$ 12,433,840	\$ 5,430,545
Land lease	14,487	14,487
Late fees	16,607	19,518
Investment income	120,716	94,522
Misc revenue	117,097	253,241
Connection fees	<u>1,285,080</u>	<u>493,386</u>
 Total revenue and capital contributions	 <u>\$ 13,987,827</u>	 <u>\$ 6,305,699</u>

Revenue and Capital Contributions: Total revenue received by the District for the year ended June 30, 2025 was \$13,987,827 representing a \$7,682,128 increase over the year ended June 30, 2024. The largest change is due to rate increased for fiscal year 2025 and increased connection fees due to continued growth and construction within the District.

TRI General Improvement District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2025

<u>Years Ended June 30,</u>	<u>2025</u>	<u>2024</u>
Operating expenses	\$ 7,265,854	\$7,194,401
Depreciation	<u>1,638,724</u>	<u>1,483,513</u>
Total operating expenses	<u>\$8,904,578</u>	<u>\$8,677,914</u>

Expenses: Operating expenses for the year end June 30, 2025 totaled \$7,306,690 representing an increase over the year ended June 30, 2024 of \$71,453. The increase is primarily due to an increase in salaries and wages from hiring additional staff within the District.

**Budgetary Highlights**

Charges for water and sewer services are the primary sources of revenue; however, as growth continues in the Industrial Center, connection fees collected have been significantly higher than budget. Combined water, sewer, and process water fund revenue was 46% higher than budgeted, mostly captured by the Water Service Fund, as a result of increased expansion of the industrial park and demand for services, combined with a delay in the commissioning of the process water system (which will result in lower revenues in the Water Service Fund in future fiscal years). Expenses were \$471,040 higher than budget in the Water Fund due to employee salary and benefits, engineering costs and depreciation and amortization. Expenses were lower than budgeted in the Sewer Service Fund for FY25.

**Capital Asset and Debt Administration**

At year-end, the TRI General Improvement District's investment in capital assets totaled \$109,185,057 representing an increase from the year ended June 30, 2024 of \$11,787. The increase is primarily due to an emergency project in the Process Water Service Enterprise Fund for additional Reservoir aeration to support the temporary process ,wastewater treatment plant.

The District has no outstanding debt obligations.

**Economic Factors and Next Year's Budget and Rates**

Due to several different economic factors, there continues to be unprecedented growth within the TRIGID service area as the Tahoe-Reno Industrial Center continues to attract tech and manufacturing companies in addition to the traditional logistics market. The budget uncertainty still exists due to the District's unique commercial and industrial base; however, in FY22 TRIGID's Board of Trustees authorized a rate study that resulted in a rate restructuring approved in July 2022. In this rate restructuring, all fixed operating costs are recovered in the base rate. This insulates the District from insolvency that could result from a large water and sewer customer relocating outside of the service area.

TRI General Improvement District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2025

TRIGID continues to coordinate with public and private partners on a multi-million regional effluent reuse system. The system was partially brought online in May 2024. The projects constructed by Tahoe-Reno Industrial Center, LLC (Master Developer) to date were a and work continues to fully commission the project and accept it for dedication. Acceptance of nearly \$100 million in infrastructure is anticipated to occur in FY26. Rate setting for the new system has already been completed and staff continues to evaluate the adequacy of these rates, as well as to monitor the revenue shifts in the water and sewer fund revenue streams as a result of the new process water system commissioning

TRIGID completed Preliminary Engineering Reports with State Revolving Fund (SRF) Principal Forgiveness Loans, one project in the Water Enterprise Fund and one project in the Sewer Enterprise Fund. Sewer rate adjustments may be require to fund the debt service on the proposed Clean Water Project. In FY26, these projects moved into design and the Board is supportive of applying for SRF low interest loans to fund these projects. The District will continue to assess the economic climate carefully through the FY27 budget process to determine the best course of action on construction and construction funding strategies.

**Requests for Information**

This financial report is designed to provide a general overview of the TRI General Improvement District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District Treasurer, TRI General Improvement District, 440 USA Parkway Suite 105, McCarran, NV 89437.

**Financial Statements**  
**TRI GENERAL IMPROVEMENT DISTRICT**  
**June 30, 2025**

TRI General Improvement District  
Statement of Net Position  
June 30, 2025

Assets	
Current assets	
Cash	\$ 13,222,619
Accounts receivable	1,323,381
Prepaid insurance	201,118
Lease receivable	<u>10,225</u>
Total current assets	<u>14,757,343</u>
Noncurrent assets	
Leased Assets	29,732
Capital assets being depreciated	52,000,685
Capital assets not being depreciated	57,183,432
Lease receivable	<u>261,546</u>
	<u>109,475,395</u>
Total assets	<u>124,232,738</u>
Deferred Outflows of Resources	
Pension requirement	<u>980,595</u>
Total assets and deferred outflows of resources	<u>125,213,333</u>
Liabilities	
Current liabilities	
Accounts payable	889,264
Accrued Expenses	146,146
Meter deposits	48,900
Lease payable, current portion	<u>28,792</u>
Total current liabilities	<u>1,113,102</u>
Non-current liabilities	
Lease payable, net of current portion	-
Net pension liability	<u>1,468,817</u>
	<u>1,468,817</u>
Total liabilities	<u>2,581,919</u>
Deferred Inflows of Resources	
Lease receivable	252,325
Pension requirement	<u>180,042</u>
	<u>432,367</u>
Net Position	
Invested in capital assets	109,185,057
Unrestricted	<u>13,013,990</u>
Total net position	<u>\$ 122,199,047</u>

See Notes to Financial Statements

TRI General Improvement District  
Statement of Revenue, Expenses and Changes in Net Position  
Year Ended June 30, 2025

Operating Revenue	
Charges for water services	\$ 12,305,840
Plan review fees	128,000
	12,433,840
<u>Operating Expenses</u>	
Advertising	586
Contract services	1,530,523
Chemicals	755,362
Depreciation	1,638,724
Equipment	18,704
Insurance	107,810
Licenses and permits	13,014
Repairs, maintenance and supplies	402,036
Other expense	(6,239)
Parts and supplies	208,733
Payroll taxes and benefits	877,103
Postage and delivery	1,543
Professional services	1,431,053
Rent	12
Training and travel	9,154
Utilities	1,049,416
Wages	867,044
Total operating expenses	8,904,578
Operating Income	3,529,262
Nonoperating Revenue and Expenses	
Land lease	14,487
Late fees	16,607
Investment income	120,716
Other revenue	117,097
Interest expense	(1,327)
Total nonoperating revenue	267,580
Income Before Capital Contributions	3,796,842
Capital Contributions	
Capital assets Contributions	-
Connections fees	1,285,080
Change in Net Position	5,081,922
Total Net Position, Beginning of Year	117,117,125
Total Net Position, End of Year	\$ 122,199,047

See Notes to Financial Statements

TRI General Improvement District  
Statement of Cash Flows  
Year Ended June 30, 2025

Cash Flows from Operating Activities	
Receipts from customers	\$ 12,059,985
Payments to suppliers	(5,206,994)
Payments to employees and related taxes and benefits	<u>(1,545,813)</u>
Net Cash Flows from Operating Activities	<u>5,307,178</u>
Cash Flows from Noncapital and Related Financing Activities	
Lease payments	(32,225)
Interest expense	(1,327)
Investment income	<u>120,716</u>
	<u>87,164</u>
Cash Flows from Capital and Related Financing Activities	
Connection fees	1,285,080
Acquisition of capital assets	(1,618,285)
Land lease	14,487
Late fees	16,607
Misc revenue	<u>117,097</u>
Net Cash Flows used for Capital and Related Financing Activities	<u>(185,014)</u>
Net Change in Cash	5,209,328
Cash, Beginning of Year	<u>8,013,291</u>
Cash, End of Year	<u>\$ 13,222,619</u>
Reconciliation of Operating Income to Net Cash Flows from Operating Activities	
Operating income	\$ 3,529,262
Adjustments to reconcile operating income to net cash flows from operating activities	
Depreciation	1,638,724
Change in current assets and liabilities	
Accounts receivable	(373,855)
Lease receivable	10,225
Deferred outflows	102,958
Prepaid insurance	(83,628)
Accounts payable	375,216
Accrued expenses	13,972
Meter deposits	12,900
Pension liability	(69,751)
Deferred inflows	<u>151,155</u>
Net Cash Flows from Operating Activities	<u>\$ 5,307,178</u>
Supplemental Cash Flow Information Contributed capital assets	<u>\$ -</u>

See Notes to Financial Statements

TRI General Improvement District  
Notes to Financial Statements  
June 30, 2025

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

**Reporting Entity**

The TRI General Improvement District (District) was formed in 2000. The District has been charged with the responsibility of providing water and sewer services for the land owners of the Tahoe-Reno Industrial Center located in Storey County, Nevada. The District is governed by a Board of Trustees. In addition, the District is required to abide by regulations established by Storey County and the State of Nevada.

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Under accounting principles generally accepted in the United States of America, the district is considered to be a component unit of Storey County. Accordingly, the District's financial date is included in the County's financial statements.

**Measurement Focus, Basis of Accounting and Basis of Presentation**

The District's financial activities are accounted for in a proprietary fund, specifically, an enterprise fund. An enterprise fund accounts for operations that are financed and operated in a manner similar to those found in the private business sector, where the costs of providing goods or services to the general public on a continuing basis are recovered primarily through user charges.

GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, requires the Board to apply all applicable GASB pronouncements and, unless they conflict with or contradict GASB pronouncements all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989. Accordingly, the District has not applied FASB pronouncements issued after that date.

The District maintains its accounting records on the accrual basis of accounting wherein revenues are recognized when earned and become measurable, and expenses are recognized when incurred. All assets and liabilities associated with the operations are included on the statement of net position. Net position is segregated into invested in capital assets and unrestricted components.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise fund is comprised of charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expense, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

TRI General Improvement District  
Notes to Financial Statements  
June 30, 2025

**Note 1- Summary of Significant Accounting Policies (Continued)**

**Budgets and Budgetary Accounting**

The District adheres to the Local Government Budget Act incorporated within Statutes of the State of Nevada. These Statutes provide for the preparation, filing, notice, public hearing, and adoption in connection with the budgetary process for Nevada local governments. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budget amendments must be approved by the Board of Trustees. All annual appropriations lapse at year-end.

On or before April 15, the Board of Trustees files a tentative budget with the Nevada Department of Taxation. Public hearings on the tentative budget are held and a final budget must be prepared and adopted no later than June 1.

**Cash and Cash Equivalents**

For the purposes of the statement of cash flows, cash equivalents are defined as short-term highly liquid investments, generally with original maturities of three months or less. The District does not have any investments that are considered to be cash equivalents at June 30, 2025.

Cash is maintained in one commercial bank in Reno, Nevada. The funds are deposited in a commercial bank that participates in the state collateral pool program and thereby secures all cash and cash equivalents deposited with the bank. Therefore, the District does not need to have a deposit policy related to custodial credit risk.

The District's bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in the aggregate. Excess balances are collateralized in the state collateral pool by Western Alliance Bank.

**Accounts Receivable**

Accounts receivable is comprised of monthly water and sewer meter fees. The District has not established an allowance for doubtful accounts as it believes all accounts are collectible at June 30, 2025.

TRI General Improvement District  
Notes to Financial Statements  
June 30, 2025

**Note 1- Summary of Significant Accounting Policies (Continued)**

**Capital Assets**

Capital assets with a cost of \$5,000 or more and a life greater than one year are capitalized and are stated at cost. Donated capital assets are valued at acquisition value at the date of donation. Depreciation is computed using the straight-line method for all assets over the estimated useful lives of the assets, which range from five to forty years.

The cost of maintenance and repairs is charged to expense as incurred. Significant renewals and betterments are capitalized.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period.

**Deferred Outflows and Inflows of Resources**

In addition to assets, a separate section is reported for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The changes in proportion and differences between employer contributions and the proportionate share of contributions as well as contributions made after the measurement period for pensions qualify for reporting in this category.

In addition to liabilities, a separate section is reported for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Differences between expected and actual experience and between projected and actual investment earnings on pension plan investments qualify for reporting in this category.

**Equity Classifications**

Equity is classified as net position and displayed in two components:

- Invested in capital assets - consists of capital assets, net of accumulated depreciation.
- Unrestricted net position - consists of amounts designated for major repairs and replacements and all other net position that do not meet the definition of "invested in capital assets."

TRI General Improvement District  
Notes to Financial Statements  
June 30, 2025

**Note 1- Summary of Significant Accounting Policies (Continued)**

**Pensions**

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

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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.

**Note 2 - Compliance with Nevada Revised Statutes and the Nevada Administrative Code**

The District conformed to all significant statutory constraints on its financial administration during the year.

**Note 3- Cash**

By provision of statutes, the District is authorized to deposit all money in banks or savings and loan associations located in the State of Nevada and must be subject to withdrawal on demand. Custodial credit risk is the risk that in the event of a bank or brokerage failure, the Board's deposits may not be returned. District's bank deposits are covered by Federal Deposit Insurance Corporation (FDIC) insurance. Of the bank balances each bank is insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). In addition, the District participates in the Nevada Pooled Collateral program through one of the individual banks, which insures the balances that are in excess of FDIC amounts.

At June 30, 2025, the carrying amount of the District's cash in banks was \$13,218,172 and the bank balance was \$13,486,234.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair-value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing rates. The District does not have a formal policy regarding credit risk or concentration of credit risk.

TRI General Improvement District  
Notes to Financial Statements  
June 30, 2025

**Note 4- Capital Assets**

Capital asset activity consists of the following for the year ended June 30, 2025:

	June 30, 2024	Additions	Disposals	June 30, 2025
<b>Capital Assets, Not Being Depreciated</b>				
Land	\$ 503,231	\$ -	\$ -	\$ 503,231
Construction in progress	309,407	539,698	-	849,105
Water rights	<u>55,828,863</u>	<u>-</u>	<u>-</u>	<u>55,828,863</u>
Total capital assets not being depreciated	<u>\$ 56,641,501</u>	<u>\$ 539,698</u>	<u>\$ -</u>	<u>\$ 57,181,199</u>
<b>Capital Assets, Being Depreciated</b>				
Water and Sewer treatment facility and improvements	\$ 68,510,025	\$ 51,771	\$ -	\$ 68,561,796
Well houses	3,176,443	-	-	3,176,443
Roadway	125,319	-	-	125,319
Equipment	277,416	149,994	-	427,410
Vehicles	448,676	109,587	-	558,263
Momument signs	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Total capital assets being depreciated	<u>72,547,879</u>	<u>311,352</u>	<u>-</u>	<u>72,859,231</u>
<b>Less Accumulated Depreciation</b>				
Water and Sewer treatment facility and improvements	17,615,768	1,365,155	-	18,980,923
Well houses	2,066,413	122,295	-	2,188,708
Roadway	125,319	-	-	125,319
Equipment	75,051	51,077	-	126,128
Vehicles	122,004	70,466	-	192,470
Momument signs	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Total accumulated depreciation	<u>20,014,555</u>	<u>1,608,993</u>	<u>-</u>	<u>21,623,548</u>
Total Capital Assets Being Depreciated, Net	<u>52,533,324</u>	<u>(1,297,641)</u>	<u>-</u>	<u>51,235,683</u>
Net Capital Assets	<u>\$ 109,174,825</u>	<u>\$ (757,943)</u>	<u>\$ -</u>	<u>\$ 108,416,882</u>

TRI General Improvement District  
Notes to Financial Statements  
June 30, 2025

**Note 5 - Pensions**

The District elected to participate in the Public Employment Retirement System (PERS) for all eligible employees effective July 1, 2019.

**General Information About the Pension Plan**

*Plan Description*

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

*Benefits Provided*

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

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

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

*Vesting*

Regular members entering the system prior to January 1, 2010 are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. Regular members who entered the System on or after July 1, 2015 are eligible for retirement at age 65 with 5 years of service, or at age 62 with 20 years of service, or at age 55 with 30 years of service, or at any age with 33 1/3 years of service.

TRI General Improvement District  
Notes to Financial Statements  
June 30, 2025

**Note 5 - Pensions (Continued)**

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

*Contributions*

The authority for establishing and amending the obligation to make contributions and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983 have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions and the other plan provides for employer-pay only.

The System's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

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

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

For the fiscal year ended June 30, 2025, the Statutory Employer/employee matching rate was 15.25% for regular employees. The Employer-pay contribution (EPC) rate was 29.25% each year for the year ended June 30, 2025.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2025, the Component unit reported a liability of \$1,468,817 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Component unit's proportion of the plan's net pension liability was based on the County's combined employer and member contributions to the pension plan relative to the contributions of all participating entities for the year ended June 30, 2024. At June 30, 2024, the County's proportion share was .00813% in year 2024, while year 2023 was .00843%.

TRI General Improvement District  
Notes to Financial Statements  
June 30, 2025

**Note 5 - Pensions (Continued)**

For the year ended June 30, 2025, the Board recognized pension expense of \$482,800. Amounts totaling \$141,975 resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

As of June 30, 2025, the Board reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 311,604	\$ 144,697
Change in assumptions	94,777	
Net difference between projected and actual investment earnings on pension plan investments	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	432,239	35,345
Contributions subsequent to the measurement date	141,975	-
	\$ 980,595	\$ 180,042

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, without regard to the contribution subsequent to the measurement date, will be recognized in pension expense (contribution) as follows during the year ended June 30:

2026	\$	173,036
2027		225,823
2028		136,897
2029		58,286
2030		52,187
2031		12,349
	\$	658,578

The net difference between projected and actual investment earnings on pension plan investments will be recognized over 5 years. All the other above deferred outflows and deferred inflows will be recognized over the average expected remaining service lives, which was 5.64 years for the period ended June 30, 2024.

TRI General Improvement District  
Notes to Financial Statements  
June 30, 2025

**Note 5 - Pensions (Continued)**

**Actuarial Assumptions**

The System's net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.20% to 9.10%, depending on service Rates include inflation and productivity increases
Investment rate of return	7.25%
Other assumptions	Same as those used in the June 30, 2023 funding actuarial valuation

*Actuarial Assumptions* : When measuring the total pension liability, GASB uses the same actuarial cost method, all actuarial assumptions, and the same type of discount rate as PERS uses for funding.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed plan contributions will be made consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2024.

TRI General Improvement District  
Notes to Financial Statements  
June 30, 2025

**Note 5 - Pensions (Continued)**

**Investment Policy**

The System's policies which determine the investment portfolio target asset allocation are established by the Nevada PERS Retirement Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System. The following was the Retirement Board's adopted policy target asset allocation as of June 30, 2024:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return</u>
US stocks	34%	5.50%
International stocks	14%	5.50%
US bonds	28%	2.25%
Private markets	12%	6.65%
Short-term investments	12%	5.00%

As of June 30, 2024, PERS' long-term inflation assumption was 2.50%.

**Discount Rate and Pension Liability Discount Rate Sensitivity**

The following presents the Board's proportionate share of net pension liability of the System as of June 30, 2023, calculated using the discount rate of 7.25%, as well as what the System net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25%) or 1 percentage-point higher (8.25%) than the current discount rate:

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Net Pension Liability	\$ 2,362,036	\$ 1,468,817	\$ 2,362,036

**Pension Plan Fiduciary Net Position**

Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Comprehensive Annual Financial Report (CAFR) available on the PER's website at [www.nvpers.org](http://www.nvpers.org) under Quick Links - Publications.

TRI General Improvement District  
Notes to Financial Statements  
June 30, 2025

**Note 6 - Commitments, Contingencies and Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District.

**Note 7 – Concentration of Credit Risks**

Sales to five customers accounted for 21%, 17%, 6%, 6%, and 6% of total sales in 2025.

**Note 8 - Lease Receivable**

Verizon Cell Tower Site Lease

TRIGID leases property for a cell tower site to Verizon Wireless. The lease is a five-year lease, which commenced on July 1, 2021, with four optional five-year renewals and the final renewal term expiring on November 1, 2042. The monthly payment increases by three percent upon each year. The County estimates that the lease will continue until November 1, 2042.

Monthly lease payments were \$1,131 as of July 1, 2024 with an increase to \$1,160 in December 2024. Total lease payments received were \$13,775 for the fiscal year 2025. The lease payment has been amortized over the life of the lease including the optional renewals and lease payment increases with imputed interest at 1.28%. A lease receivable asset and the corresponding deferred inflow of resources at June 30, 2025 was \$271,771 and \$252,325, respectively. Interest income of \$3,550 was recognized in regards to this lease payment in the fiscal year ended June 30, 2025.

**Note 8 - Lease Commitments**

Facility lease

TRIGID leases facilities. The lease is a three-year lease, which commenced on July 1, 2023. The annual payment was \$33,552 for fiscal year ended June 30, 2025. The County estimates that the lease will continue until June 30, 2026.

Monthly lease payments were \$2,575 as of July 1, 2024. Total lease payments received were \$30,000 for the fiscal year 2024. The lease payment has been amortized over the life of the lease including the optional renewals and lease payment increases with imputed interest at 2.65%. A lease payable and the corresponding capital assets at June 30, 2025 was \$28,792 and \$29,731, respectively. Interest expense of \$1,328 was recognized in regards to this lease payment in the fiscal year ended June 30, 2025.

Future minimum lease payments for the year end June 30, 2026 is \$28,792 in principle payments and \$452 of interest.

TRI General Improvement District  
Notes to Financial Statements  
June 30, 2025

**Note 9 - Change in Accounting Principle**

Effective for the fiscal year beginning after December 15, 2023, the government adopted GASB Statement No. 101, which requires a new method for recognizing liabilities for compensated absences. This new standard requires the recognition of a liability for both unused leave and leave that has been used but remains unpaid. The previous standard only required recognition of a liability for certain compensated absences, like vacation leave, and sick leave that was paid upon separation. This new standard requires a liability to be recognized for sick leave if it is "more likely than not" to be used for time off or settled for cash or noncash means.

The adoption of GASB 101 necessitated a restatement of prior-period financial statements because the government had previously not recognized a liability for the portion of sick leave that was not paid upon separation from service. The previous method of recognizing this liability was not in accordance with the new standard.

The following table shows the impact of the restatement on the government's financial statements:

	Prior Period	Restatement	Restated Period
Compensated absences liability	60,475	40,836	101,311
Net Position Beginning of year	117,157,961	(40,836)	117,117,125

TRI General Improvement District  
Proprietary Funds  
Statement of Net Position  
June 30, 2025

Assets	Water	Sewer	Process Water	Process Sewer	Combined
Current assets					
Cash	\$ 6,619,427	\$ 4,782,084	\$ (901,016)	\$ 2,722,124	\$ 13,222,619
Accounts receivable	590,617	326,472	45,389	360,903	1,323,381
Prepaid insurance	57,254	77,068	38,169	28,627	201,118
Lease receivable	10,225	-	-	-	10,225
	<u>7,277,523</u>	<u>5,185,624</u>	<u>(817,458)</u>	<u>3,111,654</u>	<u>14,757,343</u>
Total current assets					
Noncurrent assets					
Leased asset	19,821	18,582	(4,955)	(3,716)	29,732
Capital assets being depreciated	25,895,389	24,348,922	1,512,411	243,963	52,000,685
Capital assets not being depreciated	56,665,691	504,408	13,333	-	57,183,432
Lease receivable	261,546	-	-	-	261,546
	<u>82,842,447</u>	<u>24,871,912</u>	<u>1,520,789</u>	<u>240,247</u>	<u>109,475,395</u>
	<u>90,119,970</u>	<u>30,057,536</u>	<u>703,331</u>	<u>3,351,901</u>	<u>124,232,738</u>
Total assets					
Deferred Outflows of Resources					
Pension requirement	294,179	343,208	196,119	147,089	980,595
	<u>294,179</u>	<u>343,208</u>	<u>196,119</u>	<u>147,089</u>	<u>980,595</u>
Total assets and deferred outflows of resources					
	<u>90,414,149</u>	<u>30,400,744</u>	<u>899,450</u>	<u>3,498,990</u>	<u>125,213,333</u>
Liabilities					
Current liabilities					
Accounts payable	269,847	248,756	159,678	210,983	889,264
Accrued Expenses	46,453	51,586	26,620	21,487	146,146
Meter deposits	48,900	-	-	-	48,900
Lease Payable, current portion	8,638	10,077	5,758	4,319	28,792
	<u>373,838</u>	<u>310,419</u>	<u>192,056</u>	<u>236,789</u>	<u>1,113,102</u>
Total current liabilities					
Non-current liabilities					
Lease payable, net of current	-	-	-	-	-
Net pension liability	440,645	514,086	293,763	220,323	1,468,817
	<u>440,645</u>	<u>514,086</u>	<u>293,763</u>	<u>220,323</u>	<u>1,468,817</u>
Total liabilities					
	<u>814,483</u>	<u>824,505</u>	<u>485,819</u>	<u>457,112</u>	<u>2,581,919</u>
Deferred Inflows of Resources					
Lease receivable	252,325	-	-	-	252,325
Pension requirement	54,013	63,015	36,008	27,006	180,042
	<u>306,338</u>	<u>63,015</u>	<u>36,008</u>	<u>27,006</u>	<u>432,367</u>
Net Position					
Invested in capital assets	82,572,263	24,861,835	1,515,031	235,928	109,185,057
Unrestricted	6,721,065	4,651,389	(1,137,408)	2,778,944	13,013,990
	<u>89,293,328</u>	<u>29,513,224</u>	<u>377,623</u>	<u>3,014,872</u>	<u>122,199,047</u>
Total net position					

TRI General Improvement District  
Proprietary Funds  
Statement of Revenue, Expenses, and Changes in Net Position  
June 30, 2025

	Water	Sewer	Process Water	Process Sewer	Combined
<b>Operating Revenue</b>					
Charges for water services	\$ 4,228,047	\$ 2,350,465	\$ 1,420,617	\$ 4,306,711	\$ 12,305,840
Plan review fees	126,500	1,500	-	-	128,000
	<u>4,354,547</u>	<u>2,351,965</u>	<u>1,420,617</u>	<u>4,306,711</u>	<u>12,433,840</u>
<b>Operating Expenses</b>					
Advertising	176	205	117	88	586
Contract services	7,925	32,405	13,153	1,477,040	1,530,523
Chemicals	93,734	99,426	69,413	492,789	755,362
Depreciation	945,033	590,797	91,577	11,317	1,638,724
Equipment	5,867	5,618	7,909	(690)	18,704
Insurance	32,364	37,688	21,576	16,182	107,810
Licenses and permits	7,948	1,856	2,793	417	13,014
Repairs, maintenance and supplies	241,310	126,873	32,825	1,028	402,036
Other expense	(6,675)	227	128	81	(6,239)
Parts and supplies	45,356	45,016	24,259	94,102	208,733
Payroll taxes and benefits	260,303	313,295	173,404	130,101	877,103
Postage and delivery	399	572	327	245	1,543
Professional services	652,316	215,573	345,802	217,362	1,431,053
Rent	-	12	-	-	12
Training and travel	3,582	2,302	2,611	659	9,154
Utilities	301,376	230,729	429,970	87,341	1,049,416
Wages	250,818	294,965	182,724	138,537	867,044
Total operating expenses	<u>2,841,832</u>	<u>1,997,559</u>	<u>1,398,588</u>	<u>2,666,599</u>	<u>8,904,578</u>
Operating Income (Loss)	1,512,715	354,406	22,029	1,640,112	3,529,262
<b>Nonoperating Revenue and Expenses</b>					
Land lease	14,487	-	-	-	14,487
Late Fees	16,607	-	-	-	16,607
Investment income	120,716	-	-	-	120,716
Other revenue	91,603	18,253	-	7,241	117,097
Interest Expense	(398)	(465)	(265)	(199)	(1,327)
Total nonoperating revenue	<u>243,015</u>	<u>17,788</u>	<u>(265)</u>	<u>7,042</u>	<u>267,580</u>
Income (Loss) Before Capital Contributions	1,755,730	372,194	21,764	1,647,154	3,796,842
<b>Capital Contributions</b>					
Capital Contributions	-	-	-	-	-
Connection fees	519,754	765,326	-	-	1,285,080
Total capital contributions	<u>519,754</u>	<u>765,326</u>	<u>-</u>	<u>-</u>	<u>1,285,080</u>
Change in Net Position	<u>2,275,484</u>	<u>1,137,520</u>	<u>21,764</u>	<u>1,647,154</u>	<u>5,081,922</u>
Total Net Position, Beginning of Year	86,912,772	28,296,910	460,925	1,446,518	117,117,125
<b>Transfer between funds</b>	<u>105,072</u>	<u>78,794</u>	<u>(105,066)</u>	<u>(78,800)</u>	<u>-</u>
Total Net Position, End of Year	<u>\$ 89,293,328</u>	<u>\$ 29,513,224</u>	<u>\$ 377,623</u>	<u>\$ 3,014,872</u>	<u>\$ 122,199,047</u>

TRI General Improvement District  
Proprietary Funds  
Statement of Cash Flows  
Year Ended June 30, 2025

	Water	Sewer	Process Water	Process Sewer	Combined
<b>Cash Flows from Operating Activities</b>					
Receipts from customers	\$ 4,274,216	\$ 2,464,733	\$ 1,375,228	\$ 3,945,808	\$ 12,059,985
Payments to suppliers	(1,250,011)	(656,591)	(886,358)	(2,414,034)	(5,206,994)
Payments to employees and related taxes and benefits	(564,847)	(612,607)	(210,480)	(157,879)	(1,545,813)
<b>Net Cash Flows from Operating Activities</b>	<u>2,459,358</u>	<u>1,195,535</u>	<u>278,390</u>	<u>1,373,895</u>	<u>5,307,178</u>
<b>Cash Flows from Noncapital and Related Financing Activities</b>					
Lease payments	(20,853)	(19,668)	4,741	3,555	(32,225)
Interest expense	(398)	(465)	(265)	(199)	(1,327)
Investment income	120,716	-	-	-	120,716
	99,465	(20,133)	4,476	3,356	87,164
<b>Cash Flows from Capital and Related Financing Activities</b>					
Capital asset contributions	-	-	-	-	-
Connection fees	519,754	765,326	-	-	1,285,080
Acquisition of capital assets	(837,184)	(392,618)	(137,663)	(250,820)	(1,618,285)
Land lease	14,487	-	-	-	14,487
Late fees	16,607	-	-	-	16,607
Misc revenue	91,603	18,253	-	7,241	117,097
<b>Net Cash Flows used for Capital and Related Financing Activities</b>	<u>(194,733)</u>	<u>390,961</u>	<u>(137,663)</u>	<u>(243,579)</u>	<u>(185,014)</u>
<b>Net Change in Cash</b>	2,364,090	1,566,363	145,203	1,133,672	5,209,328
<b>Cash, Beginning of Year</b>	<u>4,150,265</u>	<u>3,136,927</u>	<u>(941,153)</u>	<u>1,667,252</u>	<u>8,013,291</u>
<b>Transfer of cash</b>	<u>105,072</u>	<u>78,794</u>	<u>(105,066)</u>	<u>(78,800)</u>	<u>-</u>
<b>Cash, End of Year</b>	<u>\$ 6,619,427</u>	<u>\$ 4,782,084</u>	<u>\$ (901,016)</u>	<u>\$ 2,722,124</u>	<u>\$ 13,222,619</u>
<b>Reconciliation of Operating Income to Net Cash Flows from</b>					
<b>Operating Activities</b>					
Operating income	\$ 1,512,715	\$ 354,406	\$ 22,029	\$ 1,640,112	\$ 3,529,262
<b>Adjustments to reconcile operating income to net cash flows from operating activities</b>					
Depreciation	945,033	590,797	91,577	11,317	1,638,724
<b>Change in current assets and liabilities</b>					
Accounts receivable	(80,331)	112,768	(45,389)	(360,903)	(373,855)
Misc receivables	-	-	-	-	-
Lease receivable	10,225	-	-	-	10,225
Deferred outflows	247,597	198,569	(196,119)	(147,089)	102,958
Prepaid insurance	(24,890)	(29,700)	(16,593)	(12,445)	(83,628)
Accounts payable	137,432	171,611	81,118	(14,945)	375,216
Accrued expenses	(5,010)	(3,533)	11,996	10,519	13,972
Meter deposits	12,900	-	-	-	12,900
Pension liability	(328,639)	(255,198)	293,763	220,323	(69,751)
Deferred inflows	32,326	55,815	36,008	27,006	151,155
<b>Net Cash Flows from Operating Activities</b>	<u>\$ 2,459,358</u>	<u>\$ 1,195,535</u>	<u>\$ 278,390</u>	<u>\$ 1,373,895</u>	<u>\$ 5,307,178</u>

**Supplementary Information**  
**TRI GENERAL IMPROVEMENT DISTRICT**  
**June 30, 2025**

**TRI GENERAL IMPROVEMENT DISTRICT  
SCHEDULE OF DISTRICT'S SHARE OF NET PENSION LIABILITY  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA  
JUNE 30, 2025**

	2024	2023	2022	2021	2020
County's portion of the net pension liability	0.008%	0.008%	0.006%	0.006%	0.002%
County's proportionate share of the net pension liability	\$1,468,817	\$1,538,568	\$1,171,922	\$ 281,299	\$ 334,520
County's covered-employee payroll	\$ 769,015	\$ 701,298	\$ 536,194	\$ 514,540	\$ 192,460
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	191.00%	219.39%	218.56%	54.67%	173.81%
Plan fiduciary net position as a percentage of the total net pension liability	0.7811%	76.16%	75.12%	86.51%	77.04%

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is compiled, the County will present information only for those years for which information is available.

**TRI GENERAL IMPROVEMENT DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS SYSTEM OF NEVADA  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA  
JUNE 30, 2025**

	2025	2024	2023	2022	2021	2020
Statutorily required contribution	\$ 141,975	\$ 116,110	\$ 97,580	\$ 71,527	\$ 58,671	\$ 25,029
Contributions in relation to the statutorily required contrib	\$ (141,975)	\$ (116,110)	\$ (97,580)	\$ (71,527)	\$ (58,671)	\$ (25,029)
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 840,834	\$ 769,015	\$ 701,298	\$ 536,194	\$ 514,540	\$ 192,460
Contributions as a percentage of covered-employee payroll	16.89%	15.10%	13.91%	13.34%	11.40%	13.00%

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is compiled, the County will present information only for those years for which information is available.

TRI General Improvement District  
Water Service Fund  
Statement of Revenue, Expenses, and Changes in Net Position- Budget and Actual  
June 30, 2025

	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenue			
Charges for water services	\$ 1,824,854	\$ 4,228,047	\$ 2,403,193
Plan review fees	16,500	126,500	110,000
	<u>1,841,354</u>	<u>4,354,547</u>	<u>2,513,193</u>
Operating Expenses			
Salaries and Wages	299,200	250,818	48,382
Employee Benefits	197,364	260,303	(62,939)
Service and Supplies	1,080,028	1,385,678	(305,650)
Depreciation and Amortization	806,451	945,033	(138,582)
Total operating expenses	<u>2,383,043</u>	<u>2,841,832</u>	<u>(458,789)</u>
Operating Income (Loss)	(541,689)	1,512,715	1,944,404
Nonoperating Revenue			
Investment income	39,581	120,716	81,135
Land lease	13,301	14,487	1,186
Connection fees	100,000	519,754	419,754
Late Fees	10,000	16,607	6,607
Other revenue	-	91,603	91,603
Interest expense	-	(398)	(398)
Total nonoperating revenue	<u>162,882</u>	<u>762,769</u>	<u>599,887</u>
Income (Loss) Before Capital Contributions	(378,807)	2,275,484	2,544,291
Capital Contributions			
Capital Contributions	-	-	-
Transfers	918,929	105,072	(813,857)
Total capital contributions	<u>918,929</u>	<u>105,072</u>	<u>(813,857)</u>
Change in Net Position	<u>\$ 540,122</u>	2,380,556	<u>\$ 1,730,434</u>
Total Net Position, Beginning of Year		<u>86,912,772</u>	
Total Net Position, End of Year		<u>\$ 89,293,328</u>	

TRI General Improvement District  
Sewer Service Fund  
Statement of Revenue, Expenses, and Changes in Net Position- Budget and Actual  
June 30, 2025

	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenue			
Charges for water services	\$ 1,898,800	\$ 2,350,465	\$ 451,665
Plan review fees	<u>4,200</u>	<u>1,500</u>	<u>(2,700)</u>
	<u>1,903,000</u>	<u>2,351,965</u>	<u>448,965</u>
Operating Expenses			
Salaries and Wages	349,067	294,965	54,102
Employee Benefits	230,258	313,295	(83,037)
Service and Supplies	881,177	798,502	82,675
Depreciation and Amortization	<u>535,915</u>	<u>590,797</u>	<u>(54,882)</u>
Total operating expenses	<u>1,996,417</u>	<u>1,997,559</u>	<u>(1,142)</u>
Operating Income (Loss)	(93,417)	354,406	450,523
Nonoperating Revenue			
Investment income	52,187	-	(52,187)
Land lease	-	-	-
Connection fees	100,000	765,326	665,326
Late Fees	-	-	-
Other revenue	-	18,253	18,253
Interest expense	<u>-</u>	<u>(465)</u>	<u>(465)</u>
Total nonoperating revenue	152,187	783,114	630,927
Income (Loss) Before Capital Contributions	58,770	1,137,520	1,081,450
Capital Contributions			
Capital Contributions	-	-	-
Transfers	<u>-</u>	<u>78,794</u>	<u>78,794</u>
Total capital contributions	<u>-</u>	<u>78,794</u>	<u>78,794</u>
Change in Net Position	<u>\$ 58,770</u>	1,216,314	<u>\$ 1,160,244</u>
Total Net Position, Beginning of Year		<u>28,296,910</u>	
Total Net Position, End of Year		<u>\$ 29,513,224</u>	

TRI General Improvement District  
Water Process fund  
Statement of Revenue, Expenses, and Changes in Net Position- Budget and Actual  
June 30, 2025

	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenue			
Charges for water services	\$ 5,590,116	\$ 1,420,617	\$ (4,169,499)
Plan review fees	-	-	-
	<u>5,590,116</u>	<u>1,420,617</u>	<u>(4,169,499)</u>
Operating Expenses			
Salaries and Wages	349,067	182,724	166,343
Employee Benefits	230,258	173,404	56,854
Service and Supplies	3,856,336	950,883	2,905,453
Depreciation and Amortization	2,050,000	91,577	1,958,423
Total operating expenses	<u>6,485,661</u>	<u>1,398,588</u>	<u>5,087,073</u>
Operating Income (Loss)	(895,545)	22,029	917,574
Nonoperating Revenue			
Investment income	-	-	-
Land lease	-	-	-
Connection fees	-	-	-
Late Fees	-	-	-
Other revenue	-	-	-
Interest expense	-	(265)	(265)
Total nonoperating revenue	<u>-</u>	<u>(265)</u>	<u>(265)</u>
Income (Loss) Before Capital Contributions	(895,545)	21,764	917,309
Capital Contributions			
Capital Contributions	-	-	-
Transfers	(918,929)	(105,066)	813,863
Total capital contributions	<u>(918,929)</u>	<u>(105,066)</u>	<u>813,863</u>
Change in Net Position	<u>\$ (1,814,474)</u>	<u>(83,302)</u>	<u>\$ 1,731,172</u>
Total Net Position, Beginning of Year		<u>-</u>	
Total Net Position, End of Year		<u>\$ (83,302)</u>	

TRI General Improvement District  
Water Service Fund  
Statement of Cash Flows  
Year Ended June 30, 2025

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 1,841,354	\$ 4,274,216	\$ 2,432,862
Payments to suppliers	(496,564)	(1,250,011)	(753,447)
Payments to employees and related taxes and benefits	<u>(1,080,028)</u>	<u>(564,847)</u>	<u>515,181</u>
Net Cash Flows from Operating Activities	<u>264,762</u>	<u>2,459,358</u>	<u>2,194,596</u>
<b>Cash Flows from Noncapital and Related Financing Activities</b>			
Lease payments	-	(20,853)	(20,853)
Interest expense	-	(398)	(398)
Investment income	<u>39,581</u>	<u>120,716</u>	<u>81,135</u>
	<u>39,581</u>	<u>99,465</u>	<u>59,884</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Capital asset contributions	-	-	-
Connection fees	100,000	519,754	419,754
Acquisition of capital assets	(707,847)	(837,184)	(129,337)
Land lease	13,301	14,487	1,186
Late fees	10,000	16,607	6,607
Misc revenue	<u>-</u>	<u>91,603</u>	<u>91,603</u>
Net Cash Flows used for Capital and Related Financing Activities	<u>(584,546)</u>	<u>(194,733)</u>	<u>389,813</u>
Net Change in Cash	(280,203)	2,364,090	2,644,293
Cash, Beginning of Year	<u>4,114,344</u>	<u>4,150,265</u>	<u>35,921</u>
Transfer	<u>918,929</u>	<u>105,072</u>	<u>(813,857)</u>
Cash, End of Year	<u>\$ 4,753,070</u>	<u>\$ 6,619,427</u>	<u>\$ 1,866,357</u>

TRI General Improvement District  
Sewer Service Fund  
Statement of Cash Flows  
Year Ended June 30, 2025

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 1,903,000	\$ 2,464,733	\$ 561,733
Payments to suppliers	(579,324)	(656,591)	(77,267)
Payments to employees and related taxes and benefits	(881,177)	(612,607)	268,570
Net Cash Flows from Operating Activities	<u>442,499</u>	<u>1,195,535</u>	<u>753,036</u>
<b>Cash Flows from Noncapital and Related Financing Activities</b>			
Lease payments	-	(19,668)	(19,668)
Interest expense	-	(465)	(465)
Investment income	52,187	-	(52,187)
	<u>52,187</u>	<u>(20,133)</u>	<u>(72,320)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Capital asset contributions	-	-	-
Connection fees	100,000	765,326	665,326
Acquisition of capital assets	(1,334,390)	(392,618)	941,772
Land lease	-	-	-
Late fees	-	-	-
Misc revenue	-	18,253	18,253
Net Cash Flows used for Capital and Related Financing Activities	<u>(1,234,390)</u>	<u>390,961</u>	<u>1,625,351</u>
Net Change in Cash	(739,704)	1,566,363	2,306,067
Cash, Beginning of Year	<u>3,016,111</u>	<u>3,136,927</u>	<u>120,816</u>
Transfer	-	78,794	78,794
Cash, End of Year	<u>\$ 2,276,407</u>	<u>\$ 4,782,084</u>	<u>\$ 2,505,677</u>

TRI General Improvement District  
Water Process fund  
Statement of Cash Flows  
Year Ended June 30, 2025

	Final Budget	Actual	Variance Favorable (Unfavorable)
Cash Flows from Operating Activities			
Receipts from customers	\$ 5,590,116	\$ 1,375,228	\$ (4,214,888)
Payments to suppliers	(579,324)	(886,358)	(307,034)
Payments to employees and related taxes and benefits	<u>(3,856,336)</u>	<u>(210,480)</u>	<u>3,645,856</u>
Net Cash Flows from Operating Activities	<u>1,154,456</u>	<u>278,390</u>	<u>(876,066)</u>
Cash Flows from Noncapital and Related Financing Activities			
Lease payments	-	4,741	4,741
Interest expense	-	(265)	(265)
Investment income	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>4,476</u>	<u>4,476</u>
Cash Flows from Capital and Related Financing Activities			
Capital asset contributions	-	-	-
Connection fees	-	-	-
Acquisition of capital assets	(126,984)	(137,663)	(10,679)
Land lease	-	-	-
Late fees	-	-	-
Misc revenue	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Flows used for Capital and Related Financing Activities	<u>(126,984)</u>	<u>(137,663)</u>	<u>(10,679)</u>
Net Change in Cash	1,027,472	145,203	(882,269)
Cash, Beginning of Year	<u>921,750</u>	<u>(941,153)</u>	<u>(1,862,903)</u>
Transfer	<u>(918,929)</u>	<u>(105,066)</u>	<u>813,863</u>
Cash, End of Year	<u>\$ 1,030,293</u>	<u>\$ (901,016)</u>	<u>\$ (1,931,309)</u>

**Compliance Section**  
**TRI GENERAL IMPROVEMENT DISTRICT**  
**June 30, 2025**

Independent Auditors' 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 Trustees  
TRI General Improvement District  
McCarran, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of TRI General Improvement District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise TRI General Improvement District's basic financial statements, and have issued our report thereon dated December 16, 2025.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*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. We consider the deficiency 2025-A described in the accompanying schedule of findings and responses to be a significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether TRI General Improvement 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.

**TRI General Improvement District's Response to Findings**

TRI General Improvement District's response to the findings identified in our audit are described in the accompanying *schedule of findings and responses*. TRI General Improvement 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 the responses.

**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.

December 16, 2025  
Reno, NV

TRI General Improvement District  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2025

2025-A Report Preparation  
Significant Deficiency

Criteria	Management of TRI General Improvement District is responsible for establishing, and maintaining an effective system of internal control over financial reporting. One of the key components of an effective system, of internal control is to provide the finance staff with adequate resources available to prepare the financial, statements in accordance with generally accepted accounting principles.
Condition	In the process of completing our audit, we were requested to draft the financial statements and prepare the accompanying notes to the financial statements.
Cause	Given the daily responsibilities of management,, the resources of time, and, training necessary to prepare the District's financial statements in accordance with generally accepted accounting principles are not available. As a result the District has chosen to contract with Dipietro and Thornton to prepare the financial statements. This circumstance is not unusual in an organization of this size; due to time constraints of management and costs associated with compliance of the standards. However, management has not implemented sufficient procedures to capture the necessary information needed for the financial, statements and related disclosures to be prepared in all material respects.
Effect	The District's financial records required audit adjustments in order for the financial statements to be in accordance with GAAP. Internally prepared financial information may not be accurate and full disclosure financial statements may not be available as timely as they would be if prepared by District personnel.
Recommendation	We recommend Disctriect staff continue to obtain training in the preparation of the financial statements and related financial statement disclosures in order to gain the knowledge needed to prepare the financial statements and related financial statement disclosures in all material respects.
Views of Responsible Officials	Management agrees with this finding

TRI General Improvement District  
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2025

A Findings relating to The Financial Statements Reported in Accordance with GAGAS

1 2024-A

We recommended District staff continue to obtain training in the preparation of the financial statements and related financial statement disclosures in order to gain the knowledge needed to prepare the financial statements and related financial statement disclosures in all material respects.

This was not implemented and is included in the current year finding 2025-A