Moapa Valley Water District

Financial Statements

Year ended June 30, 2023

With Report of

Certified Public Accountants

Members of the Board
Moapa Valley Water District
Logandale, Nevada

We have audited the financial statements of Moapa Valley Water District as of and for the year ended June 30, 2023, and have issued our report thereon dated October 7, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated February 23, 2022, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Moapa Valley Water District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Moapa Valley Water District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are as follows:

> Management's estimate of depreciation expense is based on the assigned depreciation lives. We evaluated key factors and assumptions used to develop the depreciation lives in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of the allowance for doubtful accounts as disclosed in footnote 1 and 3. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts in determining that they are reasonable in relation to the financial statements taken as a whole.
>
> For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, management's estimates have been determined on the same basis as they are reported by the Public Employees' Retirement System of Nevada (PERS). The District's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The key factors and assumptions used to develop the valuation and the accrual appear reasonable in relation to the financial statements taken as a whole.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified significant misstatements and a list of the adjustments noted during the audit has been provided to management. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Moapa Valley Water District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There are no unusual circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in a separate letter dated October 7, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Moapa Valley Water District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Moapa Valley Water District's auditors.

This report is intended solely for the information and use of the governing body and management of Moapa Valley Water District and is not intended to be and should not be used by anyone other than these specified parties.

HintonBurdick, PLLC

HintonBurdick, PLLC
October 7, 2023

Moapa Valley Water District

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2023

Moapa Valley Water District
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Independent Auditors' Report

Directors and Members of the Board
Moapa Valley Water District
Overton, Nevada

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the major fund of Moapa Valley Water District (the District), as of and for the year ended June 30, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and major fund of Moapa Valley Water District, as of June 30, 2023, and the respective changes in financial position and, where applicable, 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 (GAAS) 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

Moapa Valley Water District's 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 District's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

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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 GAAS 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 GAAS, 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 required supplementary information, such as management's discussion and analysis, schedules related to pensions 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 budgetary comparison information 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 budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Report on Summarized Comparative Information

We have previously audited Moapa Valley Water District's financial statements for the year ended June 30, 2022, and our report dated October 8, 2022, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2023 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 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.

HintonBurdick, PLLC

HintonBurdick, PLLC
Mesquite, Nevada
October 7, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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As management of Moapa Valley Water District (the District), we offer readers of the District's financial statements this narrative overview and analysis of financial activities of the District for the fiscal year ended June 30, 2023.

FINANCIAL HIGHLIGHTS

*Total net position for the District as a whole increased by $1,284,213

*Total unrestricted net position for the District as a whole decreased by $498,802

*Operating revenues increased by $51,958

*Operating expenses increased by $734,006

*Net income from non-operating items increased by $496,634

BASIC FINANCIAL STATEMENTS

The District is a special-purpose government engaged in business-type activities. All transactions related to its activities are recorded in a single enterprise fund. Enterprise funds are used to account for operations financed and operated in a manner similar to private business enterprises where the intent is that the cost of providing goods and services (including depreciation), on a continuing basis, be financed or recovered primarily through user charges.

The financial statements presented in this report are those required of an enterprise fund and consist of (1) the statement of net position, (2) the statement of revenues, expenses, and changes in net position, (3) the statement of cash flows, and (4) the notes to the financial statements.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating. However, other non-financial factors need to be considered as well.

The statement of revenues, expenses, and changes in net position (the income statement) presents information about the amounts of revenues, expenses, and resulting net income for the year. Net income is the change in net position. All items of income and expense are reported as soon as the underlying event giving rise to those items occurs, regardless of the when cash is received or paid.

The statement of cash flows starts with the amounts of net income and removes the non-cash portion (the receivables and payables which did not provide or use cash), thus converting the amounts to a cash basis.

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 to the financial statements are reported later in this report; see Table of Contents.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District.

FINANCIAL ANALYSIS

Moapa Valley Water District's Net Position

	Current Year	Previous Year	Change
Current and other assets	$ 8,793,861	$ 9,180,940	$ (387,078)
Non-current assets	21,799,253	20,571,439	1,227,814
Deferred outflows of resources	1,198,098	1,007,465	190,633
Total assets and deferred outflows	**$ 31,791,213**	**$ 30,759,844**	**$ 1,031,369**
Long-term debt outstanding	$ 3,630,889	$ 3,727,905	$ (97,016)
Other liabilities	3,602,857	2,457,097	1,145,760
Deferred inflows of resources	90,281	1,391,870	(1,301,588)
Total liabilities and deferred inflows	**7,324,027**	**7,576,871**	**(252,844)**
Net position:			
Net investment in capital assets	18,601,001	16,866,339	1,734,663
Restricted	649,159	600,807	48,352
Unrestricted	5,217,025	5,715,827	(498,802)
Total net position	**$ 24,467,186**	**$ 23,182,972**	**$ 1,284,213**

As noted earlier, net position may serve over time as a useful indicator of financial position. Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources at the close of the year by $24,467,186, an increase of $1,284,213 from the previous year. This change is equivalent to the net income for the year, in private sector terms.

Total unrestricted net position at the end of the year are $5,217,025, which represents a decrease of $498,802 from the previous year. Unrestricted net position are those resources available to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

The amount of current and other assets represent the amounts of cash and receivables on hand at the end of each year. Other liabilities are the amounts of current and other liabilities due, at year end, for goods and services acquired.

Changes in capital assets are the result of the difference, in the current year, of the cost of acquisition of capital assets and any depreciation charges on capital assets. Change in long-term debt is the difference in the amount of debt issued and that which has been paid during the year.

FINANCIAL ANALYSIS (continued)

Moapa Valley Water District's Change in Net Position

	Current Year	Previous Year	Change
Operating income:			
Service income	$ 4,257,148	$ 4,214,450	$ 42,697
Connection fees	28,161	18,900	9,261
SNWA contract	200,000	200,000	-
Total operating income	**4,485,309**	**4,433,350**	**51,958**
Operating expenses:			
Depreciation and amortization expense	950,144	907,952	42,191
Other operating income	3,483,235	2,791,421	691,815
Total operating expenses	**4,433,379**	**3,699,373**	**734,006**
Net operating income (loss)	**51,930**	**733,977**	**(682,048)**
Non-operating items:			
Revenues	1,299,964	809,809	490,156
Expenses	(67,681)	(74,159)	6,478
Total non-operating items	**1,232,284**	**735,650**	**496,634**
Net income (loss)	**$ 1,284,213**	**$ 1,469,627**	**$ (185,414)**

Service income increased by $42,6971 from the previous year. Connection fee income decreased by $9,261.

Depreciation and amortization expense increased from the amount of the previous year by $42,191. Other operating expenses increased by $691,815 compared to the previous year, resulting in a yearly net operating income of $51,930.

Net non-operating items increased by $496,634 compared to the previous year.

BUDGETARY HIGHLIGHTS

The District operates as an enterprise fund and is required to comply with the operating budget on an entity-wide basis.

	Original	Amended	Actual
Revenues	$ 4,960,209	$ 4,960,209	$ 5,785,273
Expenses	4,484,820	4,484,820	4,501,060
Net income	**$ 475,389**	**$ 475,389**	**$ 1,284,213**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Moapa Valley Water District's Capital Assets (net of depreciation)

	Current Year	Previous Year	Change
Net Capital Assets:			
Land	$ 643,296	$ 218,296	$ 425,000
Water shares	2,194,355	2,097,355	97,000
Buildings and improvements	1,455,217	1,490,637	(35,420)
Equipment and distributions system	32,208,824	31,026,817	1,182,007
Furniture and fixtures	139,805	151,668	(11,864)
Vehicles	847,924	729,149	118,775
Right-to-use leased asset	136,816	67,980	68,836
Intangible assets	14,010	26,505	(12,495)
Construction in progress	8,812	20,993	(12,181)
Total	37,649,058	35,829,400	1,819,658
Less accumulated depreciation	(15,849,805)	(15,257,961)	(591,844)
Net Capital Assets	**$ 21,799,253**	**$ 20,571,439**	**$ 1,227,814**

Additional information regarding capital assets may be found in the notes to financial statements.

Moapa Valley Water District's Outstanding Debt

	Current Year	Previous Year	Change
Long-term debt:			
2013A Refunding Bond	$ -	$ 135,000	$ (135,000)
2015 GO Refunding Bonds	440,000	570,000	(130,000)
2008 GO Water Bonds	504,767	597,625	(92,858)
2017 GO Refunding Bonds	2,108,169	2,231,754	(123,586)
Right-to-Use Lease Liabilities	56,137	22,804	33,332
2023 Note Payable	376,500	-	376,500
Less deferred bond issue costs	(734)	(1,468)	734
Plus deferred issuance premium	146,050	172,189	(26,139)
Total	**$ 3,630,889**	**$ 3,727,905**	**$ (97,016)**

Additional information regarding the long-term liabilities may be found in the notes to financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

No significant economic changes that would affect the District are expected for the next year. Budgets have been set using the same factors as the current year being reported.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Moapa Valley Water District's finances for all those with an interest in the District's finances. Questions concerning any information provided in this report or requests for additional financial information should contact the District's office at 601 N. Moapa Valley Boulevard, Overton, Nevada 89040.

BASIC FINANCIAL STATEMENTS

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Moapa Valley Water District
STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2023

	2023	2022
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:		
Assets:		
Current assets:		
Cash and cash equivalents	$ 4,508,352	$ 5,694,495
Cash and cash equivalents - designated	967,479	862,691
Accounts receivable, net	549,389	472,036
Due from other governmental units	74,336	71,541
Note receivable - current portion	50,000	-
Inventory	1,632,524	1,404,180
Prepaid expense	87,622	75,191
Total current assets	7,869,703	8,580,133
Non-current assets:		
Restricted cash and cash equivalents	649,159	600,807
Note receivable - non-current portion	275,000	-
Capital assets:		
Not being depreciated	2,846,463	2,336,644
Net of accumulated depreciation	18,952,791	18,234,796
Total non-current assets	22,723,412	21,172,246
Total assets	30,593,115	29,752,379
Deferred outflows of resources - pensions	1,198,098	1,007,465
Total assets and deferred outflows of resources	**$ 31,791,213**	**$ 30,759,844**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:		
Liabilities:		
Current liabilities:		
Accounts payable	$ 101,291	$ 503,585
Accrued liabilities	55,645	69,749
Customer security deposits	18,510	17,390
Accrued interest payable	59,047	59,047
Compensated absences	280,405	277,754
Notes payable - current portion	88,794	-
Lease liability - current portion	33,224	11,087
Bonds payable- current portion	361,602	481,444
Total current liabilities	998,518	1,420,056
Non-current liabilities:		
Notes payable - long-term portion	287,706	-
Lease liability - long-term portion	22,912	11,717
Bonds payable - long-term portion	2,836,650	3,223,657
Net pension liability	3,087,959	1,529,571
Total non-current liabilities	6,235,228	4,764,945
Total liabilities	7,233,746	6,185,002
Deferred inflows of resources - pensions	56,703	1,353,660
Deferred inflows of resources - refunding bonds	33,578	38,210
Total liabilities and deferred inflows of resources	**7,324,027**	**7,576,871**
NET POSITION:		
Net investment in capital assets	18,601,001	16,866,339
Restricted	649,159	600,807
Unrestricted - designated	967,479	862,691
Unrestricted - undesignated	4,249,546	4,853,136
Total net position	**24,467,186**	**23,182,972**
Total liabilities, deferred inflows of resources, and net position	**$ 31,791,213**	**$ 30,759,844**

The notes to the financial statements are an integral part of this statement.

Moapa Valley Water District

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUND

For the Year Ended June 30, 2023

	2023	2022
Operating income:		
Water user fees	$ 4,257,148	$ 4,214,450
Connection fees	28,161	18,900
SNWA contract revenue	200,000	200,000
Total operating income	**4,485,309**	**4,433,350**
Operating expenses:		
Salaries and wages	1,388,281	1,242,437
Employee benefits	712,765	371,122
Resources development & protection	125,885	111,584
Regulatory compliance	60,448	37,373
Distribution system operations	53,943	33,975
Distribution system maintenance	325,042	237,558
Production operations	88,005	80,858
Production maintenance	4,540	3,415
Customer account expense	64,201	57,775
General administrative	654,222	604,110
Depreciation and amortization expense	950,144	907,952
340A contract	5,904	11,215
Total operating expense	**4,433,379**	**3,699,373**
Net operating income (loss)	**51,930**	**733,977**
Non-operating income (expense):		
Interest income	54,398	4,495
Capacity fees	107,228	35,583
Intergovernmental revenue	562,143	447,832
Miscellaneous income	73,809	132,573
Other non-operating income	157,274	128,007
Gain (loss) on disposal of assets	345,112	61,317
Miscellaneous expense	(8,592)	(8,274)
Interest and amortization expense	(59,089)	(65,885)
Total non-operating income (expense)	**1,232,284**	**735,650**
Change in net position	**1,284,213**	**1,469,627**
Net position - beginning	23,182,972	21,713,345
Net position - ending	**$ 24,467,186**	**$ 23,182,972**

The notes to the financial statements are an integral part of this statement.

Moapa Valley Water District
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2023

	2023	2022
Cash flows from operating activities:		
Cash received from customers - service	$ 4,209,075	$ 4,220,030
Cash paid to suppliers	(2,019,355)	(1,213,953)
Cash paid to employees	(2,038,500)	(1,838,056)
Cash received for SNWA contract	200,000	200,000
Cash paid for 340A O&M	(9,106)	(16,142)
Net cash provided (used) in operating activities	**342,115**	**1,351,880**
Cash flows from noncapital financing activities:		
Net cash provided (used) in noncapital financing activities	**-**	**-**
Cash flows from capital and related financing activities:		
Cash payments for long-term debt	(615,447)	(479,043)
Cash payments for capital assets	(1,747,638)	(1,140,072)
Cash from sale of capital assets	50,000	25,300
Cash from capacity fees	107,228	35,583
Intergovernmental revenue	559,348	440,453
Miscellaneous expense	(8,592)	(8,274)
Miscellaneous income	73,809	132,573
Other non-operating income	157,274	128,007
Cash payments for long-term debt interest	(102,497)	(105,516)
Net cash provided (used) in capital and related financing activities	**(1,526,516)**	**(970,989)**
Cash flows from investing activities:		
Cash received from interest earned	54,398	4,495
Net cash provided (used) in investing activities	**54,398**	**4,495**
Net increase (decrease) in cash	**(1,130,002)**	**385,387**
Cash balance - beginning	7,157,993	6,772,606
Cash balance - ending	**$ 6,027,991**	**$ 7,157,993**
Cash reported on the statement of net position:		
Cash and cash equivalents	$ 4,508,352	$ 5,694,495
Cash and cash equivalents - designated	967,479	862,691
Restricted cash and cash equivalents	649,159	600,807
Total cash and cash equivalents	**$ 6,124,991**	**$ 7,157,993**

The notes to the financial statements are an integral part of this statement.

Reconciliation of Operating Income to Net Cash Provided (Used) in Operating Activities:

	2023	2022
Net operating income (expense)	**$ 51,930**	**$ 733,977**
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities:		
Depreciation and amortization	950,144	907,952
Changes in assets, liabilities, and deferred outflows and inflows:		
(Increase) decrease in receivables	(77,354)	(12,470)
(Increase) decrease in inventory	(228,344)	(446,116)
(Increase) decrease in prepaid insurance	(12,431)	(7,676)
(Increase) decrease in deferred outflows	(190,633)	(660,886)
Increase (decrease) in accounts payable	(402,294)	406,486
Increase (decrease) in accrued payroll and taxes	(14,105)	(26,345)
Increase (decrease) in compensated absences	2,652	17,285
Increase (decrease) in security deposits	1,120	(850)
Increase (decrease) in net pension liability	1,558,388	(666,684)
Increase (decrease) in deferred inflows	(1,296,957)	1,107,205
Net cash provided (used) in operating activities	**$ 342,115**	**$ 1,351,880**

Non-cash capital and related financing activities:		
Amortization of bond premiums and discounts	$ 30,037	$ 38,736
Land purchase from debt issuance	475,000	-
Equipment purchase from lease	68,836	-
Value of trade-in	-	9,000
	$ 573,873	**$ 47,736**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1-A. Reporting entity

Moapa Valley Water District (the District) is a political subdivision of the State of Nevada governed by a five-member board of directors elected in conjunction with the general election of Clark County. The District provides water services to the unincorporated townships of Glendale, Logandale, Moapa and Overton. Effective July 22, 1983 the assets and liabilities of the Moapa Valley Water Company and the Overton Water District were merged into a single entity to create the District.

1-B. Government-wide and fund financial statements

Government-wide financial statements display information about the District as a whole. The financial statements presented are those required of an enterprise fund and consist of the statement of net position, the statement of revenues, expenses, and changes in net position and the statement of cash flows. The District is considered a special-purpose government engaged in business-type activities and records all of the transactions related to its activities in a single enterprise fund. 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 cost of providing goods and services (including depreciation), on a continuing basis, be financed or recovered primarily through user charges. No fiduciary funds or components that are fiduciary in nature are included.

1-C. Measurement focus, basis of accounting, and financial statement presentation

Measurement focus is commonly used to describe the types of transactions and events that are reported in a fund's operating statement. The operating statement of an enterprise fund focuses on changes in, or the flow of, economic resources. With this measurement focus, all assets and liabilities associated with the operation of the fund, both current and non-current, are included on the statement of net position. Thus, net position (total assets and deferred outflows less total liabilities and deferred inflows) are used as a practical measure of economic resources.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. As a practical matter, a fund's basis of accounting is inseparably tied to its measurement focus. Funds that focus on total economic resources employ the accrual basis of accounting, which recognizes increases and decreases in economic resources as soon as the underlying event or transaction occurs. Under accrual accounting, revenues are recognized as soon as they are earned and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash inflows and outflows.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for sales and services. The District also recognizes the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as needed.

1-D. Assets, liabilities, and net position or equity

1. Cash and cash equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Cash and investments

Cash balances are invested as permitted by law. Investments are recorded at lower of cost or market.

Pursuant to NRS 355.170, the District may only invest in the following types of securities:

- United States bonds and debenture maturing within ten (10) years from the date of purchase.
- Certain farm loan bonds.
- Securities of the United States Treasury, United States Postal Service, or the Federal National Mortgage Association maturing within ten (10) years from the date of purchase.
- Negotiable certificates of deposits from commercial banks and insured savings and loan associations within the State of Nevada
- Certain securities issued by local governments of the State of Nevada.
- Other securities expressly provided by other statutes, including repurchase agreements.

3. Receivables and payables

Accounts receivable represent water usage billings for which payment has not yet been received. Due to the nature of such receivables and the District's ability to collect them, an allowance for doubtful accounts has not been provided.

4. Inventories and prepaid items

Inventories are valued at cost using the weighted average method. The inventory consists of water parts. At various times, certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

5. Restricted assets & net position

The difference between total assets and total liabilities represents equity or net position. Net position presented in the statement of net position is subdivided into four categories: net investment in capital assets; restricted net position; unrestricted-designated net position; and unrestricted net position. Restricted net position is comprised of required reserves as dictated by the Nevada Capital Improvement Grants Program. Unrestricted-designated net position represents resources set aside at the direction of the board for special purposes.

6. Capital assets

All purchased capital assets, which include property, plant, and equipment, are carried at cost or estimated historical cost. Contributed capital assets are valued at estimated fair market value on the date received. Capital assets are defined as items with an initial, individual cost of more than $5,000 and an expected life of more than two years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

1-D. Assets, liabilities, and net position or equity (continued)

6. Capital assets (continued)

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	15-40
Distribution system	7-40
Wells	10-40
Equipment	5-15
Trucks and autos	5
Office equipment	3-7
Right-to-use leased assets	3

7. Long-term obligations

Long-term debt and other long-term obligations are reported as liabilities.

8. Compensated absences

The District has a policy allowing compensated benefits to permanent employees for both sick and vacation leave. At year-end, the compensated absence liability is $280,405.

9. Use of estimates

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

10. Prior year summarized comparative information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District’s financial statements for the year ended June 30, 2022, from which the summarized information was derived.

11. Restricted net position

The District's restricted net position was comprised of the following balances at year-end:

Nevada Capital Improvement Grant Reserve	$ 649,159
Total restricted net position	**$ 649,159**

1-D. Assets, liabilities, and net position or equity (continued)

12. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes include a separate section 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows relating to pension as required by GASB 68.

In addition to liabilities, the statement of net position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District reports deferred inflows relating to pensions as required by GASB 68. In addition, the District reports deferred inflows related to refunding bonds issued in prior years.

13. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, 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. Investments are reported at fair value.

14. Leases

The District is a lessee for a noncancellable lease of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The District recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A. Budgetary information

The District adheres to the Local Government Budget Act incorporated within state statutes, which include the following major procedures to establish the budgetary data which is reflected in these financial statements.

1. On or before April 15, the District's Board of Directors files a tentative budget with the Nevada Department of Taxation.
2. Public hearings on the tentative budget are held on the third Thursday in May.
3. Prior to June 1, at a public hearing, the Board indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Board and by adopting a resolution. The final budget must then be forwarded to the Nevada State Tax Commission for final hearings and approval.
4. Formal budgetary integration in the financial records is employed to enhance management control during the year.
5. The budget is adopted on a basis consistent with General Accepted Account Principles (GAAP). Appropriations lapse at year end.
6. Budget amounts may be transferred if amounts do not exceed the original budget. Such transfers are to be approved with a resolution by the Board of Directors. Budget augmentations in excess of original budgetary amounts may not be made without prior approval of the Moapa Valley Water District Board of Directors, following a properly scheduled public hearing.

In accordance with State Statute and the Nevada Administrative Code, actual expenses may not exceed the sum of budgeted operating and non-operating expenses. See the supplementary schedule of revenues, expenses, and changes in net position - budget to actual.

During the fiscal year 2023, the District did not comply with various sections of the Nevada Revised Statutes (NRS). Please see the schedule of findings and recommendations as listed in the table of contents.

NOTE 3 - DETAILED NOTES

3-A. Deposits and investments

Cash and investments as of June 30, 2023, consist of the following:

Cash on hand	$ 11,418
Demand deposits	6,113,573
Total cash	**$ 6,124,991**

Cash and investments listed above are classified in the accompanying government-wide statement of net position as follows:

Cash and cash equivalents	$ 4,508,352
Cash and cash equivalents - designated	967,479
Restricted cash and cash equivalents (non-current)	649,159
Total cash and cash equivalents	**$ 6,124,991**

Cash equivalents and investments are carried at fair value in accordance with GASB Statement No. 31.

Deposits and investments of the District are governed by the Nevada Revised Statutes (NRS). The following are discussions of the District's exposure to various risks related to its cash management activities:

Custodial Credit Risk

For deposits this is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a formal policy for custodial credit risk. As of June 30, 2023, none of the District’s bank balance of $6,048,069 was exposed to custodial credit risk because it was all insured or collateralized. Deposits not insured by FDIC or NCUA are collateralized because the District belongs to the Nevada Pooled Collateral program.

Investments

The provisions of State law (NRS 355.170) govern the investment of public funds. As of June 30, 2023, the District had no investments.

3-B. Receivables

The allowance policy is described in Note 1-D-3. Receivables as of year-end for the District's funds are shown below:

Customers	$ 549,389
Due from other governments	74,336
Note receivable	325,000
Total accounts receivable	**$ 948,725**

The note receivable in the schedule above represents a receivable due from Muddy Valley Irrigation Company for the purchase of land and structures thereon. Remaining payments are due in seven annual installments of $50,000 with 0% interest.

3-C. Capital assets

A summary of capital asset activity is listed below:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	$ 218,296	$ 475,000	$ (50,000)	$ 643,296
Water shares	2,097,355	97,000	-	2,194,355
Construction in progress	20,993	915,864	(928,045)	8,812
Total capital assets, not being depreciated	**2,336,644**	**1,487,864**	**(978,045)**	**2,846,463**
Capital assets, being depreciated:				
Buildings and improvements	1,490,637	91,411	(126,831)	1,455,217
Equipment and distributions system	31,026,817	1,419,004	(236,998)	32,208,824
Furniture and fixtures	151,668	-	(11,864)	139,805
Vehicles	729,149	118,775	-	847,924
Right-to-use leased asset	67,980	68,836	-	136,816
Intangible assets	26,505	-	(12,495)	14,010
Total capital assets, being depreciated	**33,492,756**	**1,698,026**	**(388,187)**	**34,802,595**
Less accumulated depreciation for:				
Buildings and improvements	1,255,242	40,542	(124,833)	1,170,952
Equipment and distributions system	13,469,734	760,619	(214,025)	14,016,328
Furniture and fixtures	135,425	11,117	(6,947)	139,595
Vehicles	381,229	99,654	-	480,884
Right-to-use leased asset	3,777	36,810	-	40,586
Intangible assets	12,553	1,401	(12,495)	1,459
Total accumulated depreciation	**15,257,961**	**950,144**	**(358,300)**	**15,849,805**
Total capital assets being depreciated, net	**18,234,796**	**747,883**	**(29,888)**	**18,952,791**
Capital assets, net	**$ 20,571,439**	**$ 2,235,747**	**$ (1,007,933)**	**$ 21,799,253**

3-D. Long-term debt

Long-term liability activity for the year ended June 30, 2023, was as follows:

Business-type activities:	Original Principal	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2013A Refunding Bonds							
Matures 2023	$1,075,000	5.00	$ 135,000	$ -	$ 135,000	$ -	$ -
2015 GO Refunding Bonds							
Matures 2026	2,355,000	4.46	570,000	-	130,000	440,000	140,000
2008 GO Water Bonds							
Matures 2028	1,500,000	2.78	597,625	-	92,858	504,767	95,457
2017 GO Refunding Bonds							
Matures 2037	2,700,000	2.06	2,231,754	-	123,586	2,108,169	126,145
2022 Right-to-Use Lease Liability							
Matures 2024	35,480	6.79	22,804	-	11,036	11,769	11,769
2023 Right-to-Use Lease Liability							
Matures 2025	68,836	6.79	-	68,836	24,468	44,368	21,456
2023 Note Payable							
Matures 2027	376,500	3.90	-	376,500	-	376,500	88,794
Less deferred bond issue costs			(1,468)	-	(734)	(734)	-
Plus deferred issuance premiums			172,189	-	26,139	146,050	-
Total business-type activity long-term liabilities			**$3,727,905**	**$ 445,336**	**$ 542,352**	**$3,630,889**	**$ 483,620**

Bond and note requirements to maturity for business-type activities are as follows:

	Principal	Interest	Total
2024	$ 450,396	$ 72,456	$ 522,852
2025	464,143	62,972	527,115
2026	483,154	53,209	536,363
2027	337,438	39,913	377,351
2028	243,525	34,233	277,758
2029-2033	728,326	116,307	844,632
2034-2038	722,454	37,715	760,169
Total	**$3,429,436**	**$ 416,803**	**$3,846,239**

3-E. Leases Payable

The District has entered into two three-year lease agreements as lessee for the acquisition and use of two loader backhoes. As of June 30, 2023, the value of the lease liabilities was $56,137. The District is required to make annual principal and interest payments of $37,104. The leases have an interest rate of 6.79%. The right-to-use leased equipment have three-year estimated useful lives. The value of the right-to-use assets as of the end of the current fiscal year was $136,816 and had accumulated amortization of $40,586.

The future principal and interest lease payments as of June 30, 2023, were as follows:

	Principal	Interest	Total
2024	$ 33,224	$ 3,880	$ 37,104
2025	22,912	1,556	24,468
Total	**$ 56,137**	**$ 5,436**	**$ 61,572**

NOTE 4 - OTHER INFORMATION

4-A. 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; and natural disasters. The District's insurance protection is provided by Willis. The coverage limit is $10 million, and the deductible is $500.

4-B. Rounding convention

A rounding convention to the nearest whole dollar has been applied throughout this report, therefore the precision displayed in any monetary amount is plus or minus $1. These financial statements are computer generated and the rounding convention is applied to each amount displayed in a column, whether detail item or total. As a result, without the overhead cost of manually balancing each column, the sum of displayed amounts in a column may not equal the total displayed. The maximum difference between any displayed number or total and its actual value will not be more than $1.

4-C. Deferred compensation plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all regular employees, permits them to defer a portion of their salary until future years. The District is not required to contribute or match any amounts withheld from employees' compensation. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

None of the amounts of compensation deferred under the plan, none of the property and rights purchased with those amounts, and none of the income attributable to those amounts, property or rights are the property of the District, or subject to the claims of the District's general creditors.

4-D. Other Post-Employment Benefits

Management has reviewed the outstanding liability for Other Post-Employment Benefits (OPEB) as of June 30, 2023 and has determined that the amount is not material to the financial statements.

4-E. General Information about the Pension Plan

Plan description:
PERS 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.

4-E. General Information about the Pension Plan (continued)

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 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 factor is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. 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-.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 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service. 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. 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. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

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.

The Statutory Employer/employee matching rate for the Regular for the fiscal years ended June 30, 2023, 2022 and 2021 was 14.875%. The Employer-pay contribution (EPC) rate for the years ended June 30, 2023, 2022 and 2021 was 29.75%.

4-E. General Information about the Pension Plan (continued)

The District's contribution amounts were as follows:

Year Ended June 30,	Regular Fund
2021	$ 175,556
2022	188,133
2023	218,288

Investment Policy:
The System's policies which determine the investment portfolio target asset allocation are established by the 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 Board adopted policy target asset allocation as of June 30, 2021:

Asset Class	Allocation	Real Rate of Return*
Domestic Equity	42%	5.50%
International Equity	18%	5.50%
Domestic Fixed Income	28%	0.75%
Private Markets	12%	6.65%

*As of June 30, 2022, PERS' long-term inflation assumption was 2.50%

Pension Liability:
Net Pension Liability
At June 30, 2023, the District reported a liability of $3,087,959 for its proportionate share of the PERS' net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2022. The District's Net Pension Liability allocation was as follows:

	Proportionate Share
2021	0.01677%
2022	0.01710%
Increase (Decrease)	0.00033%

Pension Liability Discount Rate Sensitivity
The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of			
Net pension liability	$ 4,741,027	$ 3,087,959	$ 1,723,930

4-E. General Information about the Pension Plan (continued)

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

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

Inflation Rate	2.50%
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 June 30, 2022 funding actuarial valuation

Actuarial assumptions used in the June 30, 2022 valuation were based on the results of the experience study covering the period July 1, 2016 to June 30, 2020.

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan’s current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund 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, 2022.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
For the year ended June 30, 2023 the District recognized pension expense for PERS of $289,537. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 399,840	$ 2,206
Changes in assumptions	396,670	-
Net difference between project and actual earnings on pension plan investments	37,675	-
Changes in proportion and differences between contributions and proportionate share of contributinos	145,625	54,497
Subtotal	979,810	56,703
Contributions subsequent to the measurement date	218,288	-
Total	$ 1,198,098	$ 56,703

4-E. General Information about the Pension Plan (continued)

The $1,198,098 reported as deferred outflows of resources related to PERS pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows (inflows) of Resources
2024	$ 141,604
2025	134,391
2026	119,989
2027	464,266
2028	62,858
Thereafter	-
	$ 923,107

Changes in Proportion

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

Additional Information

The PERS' Annual Comprehensive Financial Report is available on our website:
http://www.nvpers.org/publications/reports

4-G. Subsequent Events

In 2006 the District entered into a series of agreements designed to protect and acquire more water resources. The 2006 agreements allowed for a long term test pump in the coyote springs valley per Nevada State Engineer Order 1169.

There were unprecedented drawdowns of the regional carbonate aquifer that the District's largest producing well is perfected in during the test pump.

The test pump results required the Nevada State Engineer to issue ruling 1303 requiring all ground water users to file reports and opinions on how to best manage the limited water resources in the region.

The District retained the services of Greg Morrison with Parsons Behle & Latimer and Jay Lazarus with Glorieta Geoscience, Inc to defend the Districts water rights interest. The matter is currently unresolved as of June 30, 2023 and significant attorney's fees are expected in the future related to this matter.

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REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

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Moapa Valley Water District

Schedule of the Proportionate Share of the Net Pension Liability

For the Fiscal Year Ended June 30, 2023

Last 10 Fiscal Years*

	Reporting Fiscal Year (Measurement Date)								
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Proportion of the net pension liability	0.01710%	0.01677%	0.01577%	0.01551%	0.01640%	0.01667%	0.01743%	0.01713%	0.01685%
Proportionate share of the net pension liability	$ 3,087,959	$ 2,196,255	$ 2,196,255	$ 2,115,316	$ 2,237,064	$ 2,217,460	$ 2,345,956	$ 1,963,325	$ 1,756,537
Covered employee payroll	$ 1,266,513	$ 1,200,381	$ 1,126,984	$ 1,066,684	$ 1,086,964	$ 1,068,870	$ 1,062,074	$ 1,027,002	$ 991,414
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	243.82%	182.96%	194.88%	198.31%	205.81%	207.46%	220.88%	191.17%	177.18%
Plan fiduciary net position as a percentage of the total pension liability	75.10%	86.50%	77.00%	76.50%	75.20%	74.40%	72.20%	75.10%	76.30%

* The District implemented GASB 68 in fiscal year 2015. Not all 10 year prior information is available.

Moapa Valley Water District

Schedule of Contributions

For the Fiscal Year Ended June 30, 2023

Last 10 Fiscal Years

	Reporting Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 218,288	$ 188,133	$ 175,556	$ 164,325	$ 149,336	$ 152,175	$ 149,654	$ 147,805	$ 132,226	$ 127,645
Contributions in relatoin to the contractually required contribution	(218,288)	(188,133)	(175,556)	(164,325)	(149,336)	(152,175)	(149,654)	(147,805)	(132,226)	(127,645)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	1,467,481	1,266,513	1,200,381	1,126,984	1,066,684	1,086,964	1,068,870	1,062,074	1,027,002	991,414
Contributions as a percentage of covered-employee payroll *	14.87%	14.85%	14.63%	14.58%	14.00%	14.00%	14.00%	13.92%	12.88%	12.87%

* Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other administrative practices.

SUPPLEMENTARY INFORMATION

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Moapa Valley Water District

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Year Ended June 30, 2023

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
Operating income:				
Water user fees	$ 4,282,215	$ 4,282,215	$ 4,257,148	$ (25,067)
Connection fees	6,000	6,000	28,161	22,161
SNWA contract revenue	200,000	200,000	200,000	-
Total operating income	**4,488,215**	**4,488,215**	**4,485,309**	**(2,906)**
Operating expenses:				
Salaries and wages	1,373,480	1,373,480	1,388,281	(14,801)
Employee benefits	680,851	680,851	712,765	(31,914)
Resources development & protection	216,000	216,000	125,885	90,115
Regulatory compliance	45,000	45,000	60,448	(15,448)
Distribution system operations	54,000	54,000	53,943	57
Distribution system maintenance	270,000	270,000	325,042	(55,042)
Treatment operations	115,000	115,000	88,005	26,995
Treatment maintenance	40,000	40,000	4,540	35,460
Customer account expense	59,000	59,000	64,201	(5,201)
General administrative	664,000	664,000	654,222	9,778
Depreciation and amortization expense	860,000	860,000	950,144	(90,144)
340A contract	10,000	10,000	5,904	4,096
Total operating expense	**4,387,331**	**4,387,331**	**4,433,379**	**(46,048)**
Net operating income (loss)	**100,884**	**100,884**	**51,930**	**(48,954)**
Non-operating income (expense):				
Interest income	2,000	2,000	54,398	52,398
Capacity fees	8,000	8,000	107,228	99,228
Intergovernmental revenue	375,000	375,000	562,143	187,143
Miscellaneous income	57,994	57,994	73,809	15,815
Other non-operating income	29,000	29,000	157,274	128,274
Gain (loss) on disposal of assets	-	-	345,112	345,112
Miscellaneous expense	(10,000)	(10,000)	(8,592)	1,408
Interest expense	(87,489)	(87,489)	(59,089)	28,400
Total non-operating income (expense)	**374,505**	**374,505**	**1,232,284**	**857,779**
Change in net position	**475,389**	**475,389**	**1,284,213**	**808,824**
Net position - beginning	23,182,972	23,182,972	23,182,972	-
Net position - ending	**$ 23,658,361**	**$ 23,658,361**	**$ 24,467,186**	**$ 808,824**

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OTHER REPORTS

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*

Directors and Members of the Board
Moapa Valley Water District
Overton, 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 and the major fund of Moapa Valley Water District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Moapa Valley Water District's basic financial statements and have issued our report thereon dated October 7, 2023.

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 opinions 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.

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 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 may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 including whether the fund established by the District, as listed in Nevada Revised Statutes (NRS) 354.624 (5)(a)(1 through 5) complied with the express purpose required by NRS 354.6241. 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.

HintonBurdick, PLLC

HintonBurdick, PLLC
Mesquite, Nevada
October 7, 2023

Schedule of Findings and Recommendations
For the Fiscal Year Ended June 30, 2023

Directors and Members of the Board
Moapa Valley Water District
Logandale, Nevada

Professional standards require that we communicate, in writing, deficiencies in internal control over financial reporting that are considered significant deficiencies or material weaknesses that are identified during the audit of the financial statements. We noted a few areas needing corrective action in order for the District to be in compliance with laws and regulations and we found circumstances that, if improved, would strengthen the District's accounting system and control over its assets. These items are discussed below for your consideration.

INTERNAL CONTROL OVER FINANCIAL REPORTING:

No issues noted

COMPLIANCE AND OTHER MATTERS:

Compliance:

2023-001 Compliance with NRS 350 Medium Term Obligation Procedures

Criteria: Nevada Revised Statute (NRS) 350.087 to 350.095 outlines various procedures a local government must follow to procure medium-term obligations or installment purchase agreements.

Condition: The District did not follow the medium term obligation procedures when procuring the following medium term obligations: 2022 John Deere Lease Payable, 2023 John Deere Lease Payable, and the 2023 Overton Power District Note Payable.

Cause: Management was unaware of the NRS requirements for procuring medium term obligations under NRS 350. Internal controls over procurement of medium term obligations were not properly designed and implemented to ensure compliance with NRS 350.

Effect: The District did not comply with NRS 350 for fiscal year 2023.

Recommendation: Management is now aware of the requirements of NRS 350. The District should design and implement controls over procurement of medium term obligations to ensure compliance with NRS 350.

2023-002 Expenditures in Excess of Budget Appropriations

Criteria: NRS 354.626 states, "No governing body or member thereof, officer, office, department or agency may, during any fiscal year, expend or contract to expend any money or incur any liability, or enter into any contract which by its terms involves the expenditure of money, in excess of the amounts appropriated for that function,"

Condition: Total expenditures for the District exceeded final budget appropriations for fiscal year 2023.

Cause: Internal controls over budgeting for expenditures were not properly designed and implemented to ensure that all possible expenditures for the fiscal year were included in the final budget appropriations.

Effect: The District did not comply with Nevada Revised Statute (NRS) 354.626 for fiscal year 2023.

Recommendation: The District should design and implement controls over budgeting to ensure that all possible expenditures for each fiscal year are properly included in the final budget appropriations.

Other Matters:

2023-003 Water Loss

During our review of water production reports from the District, we observed a large difference between water production and water usage for the fiscal year 2023. In our discussions with management, it was communicated that the District experienced some major failures / leaks on the 24" transmission line during the fiscal year. The water loss percentage for fiscal year 2023 was approximately 21%, which is much higher than the District's allowable standard of 10%. Management has purchased leak loggers to detect leaks sooner. The district is also replacing water meters in the system.

Recommendation

We recommend the District continue to review the possible causes and solutions for the water loss described above and take appropriate actions. The District should continue working to reduce District water losses to less than 10%.

Please respond to the above findings and recommendations in letter form to the Nevada Department of Taxation.

This letter is intended solely for the use of the Board, management and various federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

It has been a pleasure to be of service to the District this past year. We would like to express special thanks to each of you who assisted us so efficiently in this year's audit. We invite you to ask questions of us throughout the year as you feel it necessary and we look forward to a continued pleasant professional relationship.

Sincerely,

HintonBurdick, PLLC
October 7, 2023