



Moapa Valley Water District

Financial Statements

Year ended June 30, 2025

With Report of

Certified Public Accountants

Moapa Valley Water District

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2025

Moapa Valley Water District

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June 30, 2025

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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, 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 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, 2025, 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.

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, 2024, and our report dated September 30, 2024 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, 2024, 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 September 2, 2025 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

Mesquite, Nevada
September 2, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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Moapa Valley Water District
Management's Discussion and Analysis
June 30, 2025

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, 2025.

FINANCIAL HIGHLIGHTS

- *Total net position for the District as a whole increased by \$5,286,964
- *Total unrestricted net position for the District as a whole increased by \$1,223,726
- *Operating revenues increased by \$797,040
- *Operating expenses increased by \$156,098
- *Net income from non-operating items increased by \$2,809,367

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.

Moapa Valley Water District
Management's Discussion and Analysis
June 30, 2025

FINANCIAL ANALYSIS

Moapa Valley Water District's Net Position

	Current Year	Previous Year	Change
Current and other assets	\$ 10,802,380	\$ 9,890,737	\$ 911,643
Non-current assets	29,385,769	22,591,369	6,794,400
Deferred outflows of resources	1,307,878	1,310,258	(2,381)
Total assets and deferred outflows	41,496,026	33,792,364	7,703,662
Long-term debt outstanding	5,540,703	3,050,636	2,490,067
Other liabilities	3,712,665	4,287,083	(574,418)
Deferred inflows of resources	568,347	67,298	501,050
Total liabilities and deferred inflows	9,821,716	7,405,017	2,416,699
Net position:			
Net investment in capital assets	23,845,065	19,851,351	3,993,714
Restricted	790,328	720,805	69,523
Unrestricted	7,038,917	5,815,191	1,223,726
Total net position	\$ 31,674,311	\$ 26,387,347	\$ 5,286,964

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 \$31,674,311, an increase of \$5,286,963 from the previous reported 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 \$7,038,917, which represents an increase of \$1,223,726 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.

Moapa Valley Water District
Management's Discussion and Analysis
June 30, 2025

FINANCIAL ANALYSIS (continued)

Moapa Valley Water District's Change in Net Position

	Current Year	Previous Year	Change
Operating income:			
Service income	\$ 5,410,811	\$ 4,600,457	\$ 810,354
Connection fees	27,653	40,967	(13,314)
SNWA contract	200,000	200,000	-
Total operating income	5,638,464	4,841,424	797,040
Operating expenses:			
Depreciation and amortization expense	1,050,839	1,035,873	14,966
Other operating expenses	3,992,410	3,851,278	141,132
Total operating expenses	5,043,249	4,887,151	156,098
Net operating income (loss)	595,215	(45,727)	640,942
Non-operating items:			
Revenues	4,817,935	3,332,764	1,485,171
Expenses	(126,188)	(1,450,383)	1,324,196
Total non-operating items	4,691,748	1,882,381	2,809,367
Net income (loss)	\$ 5,286,963	\$ 1,836,654	\$ 3,450,309

Service income increased by \$810,354 from the previous year. Connection fee income decreased by \$13,314.

Depreciation and amortization expense increased from the amount of the previous year by \$14,966. Other operating expenses increased by \$141,132 compared to the previous year, resulting in a yearly net operating income of \$595,215.

Net non-operating items increased by \$2,809,367 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	\$ 5,661,794	\$ 5,661,794	\$ 10,456,400
Expenses	5,371,392	5,371,392	5,169,436
Net income	\$ 290,402	\$ 290,402	\$ 5,286,963

Moapa Valley Water District
Management's Discussion and Analysis
June 30, 2025

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	\$ 643,296	\$ -
Water shares	8,194,355	2,194,355	6,000,000
Buildings and improvements	1,455,217	1,455,217	-
Equipment and distributions system	35,617,603	33,986,352	1,631,252
Furniture and fixtures	172,828	139,805	33,023
Vehicles	885,287	847,924	37,363
Right-to-use leased asset	393,429	136,816	256,613
Intangible assets	14,010	14,010	-
Construction in progress	1,368	59,272	(57,904)
Total	47,377,393	39,477,046	7,900,346
Less accumulated depreciation	(17,991,624)	(16,885,677)	(1,105,947)
Net Capital Assets	\$ 29,385,769	\$ 22,591,369	\$ 6,794,400

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:			
2015 GO Refunding Bonds	\$ 155,000	\$ 300,000	\$ (145,000)
2008 GO Water Bonds	311,180	409,310	(98,130)
2017 GO Refunding Bonds	1,853,268	1,982,024	(128,756)
Right-to-Use Lease Liabilities	206,333	22,912	183,421
2023 Note Payable	195,449	287,706	(92,257)
2025 Church Water Note	2,800,000	-	2,800,000
Plus deferred issuance premium	19,473	48,684	(29,211)
Total	\$ 5,540,703	\$ 3,050,636	\$ 2,490,067

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, 2025

	2025	2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:		
Assets:		
Current assets:		
Cash and cash equivalents	\$ 6,514,584	\$ 4,923,619
Cash and cash equivalents - designated	946,662	989,804
Accounts receivable, net	603,783	1,571,541
Due from other governmental units	144,663	67,101
Note receivable - current portion	100,000	50,000
Inventory	1,429,029	1,250,081
Prepaid expense	98,330	92,786
Total current assets	<u>9,837,052</u>	<u>8,944,932</u>
Non-current assets:		
Restricted cash and cash equivalents	790,328	720,805
Note receivable - non-current portion	175,000	225,000
Capital assets:		
Not being depreciated	8,839,019	2,896,923
Net of accumulated depreciation	<u>20,546,750</u>	<u>19,694,446</u>
Total non-current assets	<u>30,351,097</u>	<u>23,537,174</u>
Total assets	<u>40,188,149</u>	<u>32,482,106</u>
Deferred outflows of resources - pensions	1,307,878	1,310,258
Total assets and deferred outflows of resources	<u>\$ 41,496,026</u>	<u>\$ 33,792,364</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:		
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 269,709	\$ 249,960
Customer security deposits	19,360	23,210
Unearned revenue	-	204,186
Accrued interest payable	44,631	59,047
Compensated absences	377,616	308,891
Notes payable - current portion	295,855	92,957
Lease liability - current portion	29,286	22,912
Bonds payable- current portion	<u>387,299</u>	<u>371,886</u>
Total current liabilities	<u>1,423,757</u>	<u>1,333,050</u>
Non-current liabilities:		
Notes payable - long-term portion	2,699,594	194,749
Lease liability - long-term portion	177,047	-
Bonds payable - long-term portion	1,951,623	2,368,132
Net pension liability	<u>3,001,348</u>	<u>3,441,789</u>
Total non-current liabilities	<u>7,829,611</u>	<u>6,004,669</u>
Total liabilities	<u>9,253,368</u>	<u>7,337,719</u>
Deferred inflows of resources	568,347	67,298
Total liabilities and deferred inflows of resources	<u>9,821,716</u>	<u>7,405,016</u>
NET POSITION:		
Net investment in capital assets	23,845,065	19,851,351
Restricted	790,328	720,805
Unrestricted - designated	946,662	989,804
Unrestricted - undesignated	<u>6,092,255</u>	<u>4,825,387</u>
Total net position	<u>31,674,311</u>	<u>26,387,347</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 41,496,026</u>	<u>\$ 33,792,364</u>

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, 2025

	2025	2024
Operating income:		
Water user fees	\$ 5,410,811	\$ 4,600,457
Connection fees	27,653	40,967
SNWA contract revenue	200,000	200,000
Total operating income	5,638,464	4,841,424
Operating expenses:		
Salaries and wages	1,547,076	1,417,371
Employee benefits	894,606	986,609
Resources development & protection	143,008	128,233
Regulatory compliance	86,456	80,686
Distribution system operations	17,917	30,672
Distribution system maintenance	296,827	305,130
Production operations	112,457	130,172
Production maintenance	2,905	5,829
Customer account expense	75,842	76,108
General administrative	808,738	681,104
Depreciation and amortization expense	1,050,839	1,035,873
340A contract	6,578	9,364
Total operating expense	5,043,249	4,887,151
Net operating income (loss)	595,215	(45,727)
Non-operating income (expense):		
Interest income	197,139	185,522
Capacity fees	80,184	74,754
Intergovernmental revenue	1,456,620	2,835,279
Water rights contribution revenue	3,000,000	-
Construction costs for other local governments	-	(1,393,661)
Miscellaneous income	21,862	63,337
Other non-operating income	53,631	171,687
Gain (loss) on disposal of assets	8,500	2,185
Miscellaneous expense	(15,164)	(1,005)
Interest and amortization expense	(111,023)	(55,717)
Total non-operating income (expense)	4,691,748	1,882,381
Change in net position	5,286,963	1,836,654
Net position - beginning	26,387,347	24,550,694
Net position - ending	\$ 31,674,311	\$ 26,387,347

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, 2025

	2025	2024
Cash flows from operating activities:		
Cash received from customers - service	\$ 5,419,274	\$ 4,607,071
Cash paid to suppliers	(1,731,307)	(948,606)
Cash paid to employees	(2,273,928)	(2,141,791)
Cash received for SNWA contract	200,000	200,000
Cash paid for 340A O&M	(13,368)	(18,189)
Net cash provided (used) in operating activities	1,600,670	1,698,485
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	(537,335)	(483,621)
Cash payments for capital assets	(1,709,376)	(1,816,331)
Cash from sale of capital assets	8,500	2,185
Cash from capacity fees	80,184	74,754
Intergovernmental revenue	1,957,971	2,063,601
Construction costs for other local governments	-	(1,393,661)
Miscellaneous expense	(15,164)	(1,005)
Miscellaneous income	21,862	63,337
Other non-operating income	53,631	171,687
Cash payments for long-term debt interest	(40,733)	(55,717)
Net cash provided (used) in capital and related financing activities	(180,461)	(1,374,770)
Cash flows from investing activities:		
Cash received from interest earned	197,139	185,522
Net cash provided (used) in investing activities	197,139	185,522
Net increase (decrease) in cash	1,617,348	509,237
Cash balance - beginning	6,634,228	6,124,991
Cash balance - ending	\$ 8,251,575	\$ 6,634,228
Cash reported on the statement of net position:		
Cash and cash equivalents	\$ 6,514,584	\$ 4,923,619
Cash and cash equivalents - designated	946,662	989,804
Restricted cash and cash equivalents	790,328	720,805
Total cash and cash equivalents	\$ 8,251,575	\$ 6,634,228

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

Moapa Valley Water District
STATEMENT OF CASH FLOWS (continued)
For the Year Ended June 30, 2025

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

	<u>2025</u>	<u>2024</u>
Net operating income (expense)	\$ 595,215	\$ (45,727)
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities:		
Depreciation and amortization	1,050,839	1,035,873
Changes in assets, liabilities, and deferred outflows and inflows:		
(Increase) decrease in receivables	(15,341)	(39,053)
(Increase) decrease in inventory	(178,949)	369,844
(Increase) decrease in prepaid insurance	(5,544)	(5,164)
(Increase) decrease in deferred outflows	2,381	(112,160)
Increase (decrease) in accounts payable	(2,665)	124,648
Increase (decrease) in accrued payroll and taxes	22,414	(15,995)
Increase (decrease) in compensated absences	68,725	28,486
Increase (decrease) in security deposits	(3,850)	4,700
Increase (decrease) in net pension liability	(440,441)	353,830
Increase (decrease) in deferred inflows	507,885	(797)
Net cash provided (used) in operating activities	<u>\$ 1,600,670</u>	<u>\$ 1,698,485</u>

Non-cash capital and related financing activities:

Amortization of bond premiums and discounts	\$ 36,045	\$ 118,819
Water right acquisition from debt issuance and donation	6,000,000	-
Equipment purchase from lease	256,613	-
	<u>\$ 6,292,658</u>	<u>\$ 118,819</u>

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

Moapa Valley Water District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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.

Moapa Valley Water District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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.

Moapa Valley Water District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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:

<u>Assets</u>	<u>Years</u>
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 \$377,616.

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, 2024, 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	\$ 790,328
Total restricted net position	<u>\$ 790,328</u>

Moapa Valley Water District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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.

Moapa Valley Water District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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

15. GASB Statement No. 101 Implementation

During the current year, Moapa Valley Water District implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, Moapa Valley Water District also recognizes sick leave earned as of year-end that will be used by employees as time off in future years or owed upon separation as part of the liability for compensated absences. The implementation of GASB No. 101, did not have a significant impact on the District.

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 2025, the District complied with various sections of the Nevada Revised Statutes (NRS).

Moapa Valley Water District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 3 - DETAILED NOTES

3-A. Deposits and investments

Cash and investments as of June 30, 2025, consist of the following:

Cash on hand	\$ 16,336
Demand deposits	8,235,239
Total cash	<u>\$ 8,251,575</u>

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

Cash and cash equivalents	\$ 6,514,584
Cash and cash equivalents - designated	946,662
Restricted cash and cash equivalents (non-current)	790,328
Total cash and cash equivalents	<u>\$ 8,251,575</u>

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, 2025, none of the District's bank balance of \$8,512,488 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, 2025, 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	\$ 603,783
Due from other governments	144,663
Note receivable	275,000
Total accounts receivable	<u>\$ 1,023,446</u>

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. The District did not receive a payment from Muddy Valley Irrigation in fiscal year 2025. However, the payment for fiscal year 2025 was made in August of 2025.

Moapa Valley Water District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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	\$ 643,296	\$ -	\$ -	\$ 643,296
Water shares	2,194,355	6,000,000	-	8,194,355
Construction in progress	59,272	1,673,332	(1,731,236)	1,368
Total capital assets, not being depreciated	2,896,923	7,673,332	(1,731,236)	8,839,019
Capital assets, being depreciated:				
Buildings and improvements	1,455,217	-	-	1,455,217
Equipment and distributions system	33,986,352	1,631,252	-	35,617,603
Furniture and fixtures	139,805	33,023	-	172,828
Vehicles	847,924	66,961	(29,598)	885,287
Right-to-use leased assets	136,816	256,613	-	393,429
Intangible assets	14,010	-	-	14,010
Total capital assets, being depreciated	36,580,123	1,987,849	(29,598)	38,538,374
Less accumulated depreciation for:				
Buildings and improvements	1,200,974	28,828	-	1,229,802
Equipment and distributions system	14,863,895	916,770	-	15,780,665
Furniture and fixtures	150,713	10,951	-	161,663
Vehicles	581,044	94,289	(29,598)	645,735
Right-to-use leased assets	40,586	45,605	-	86,192
Intangible assets	48,466	39,101	-	87,567
Total accumulated depreciation	16,885,677	1,135,545	(29,598)	17,991,624
Total capital assets being depreciated, net	19,694,446	852,304	-	20,546,750
Capital assets, net	\$ 22,591,369	\$ 8,525,636	\$ (1,731,236)	\$ 29,385,769

Moapa Valley Water District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

3-D. Long-term debt

Long-term liability activity for the year ended June 30, 2024, was as follows:

Business-type activities:	Original Principal	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2015 GO Refunding Bonds							
Matures 2026	\$2,355,000	4.46	\$ 300,000	\$ -	\$ 145,000	\$ 155,000	\$ 155,000
2008 GO Water Bonds							
Matures 2028	1,500,000	2.78	409,310	-	98,130	311,180	100,877
2017 GO Refunding Bonds							
Matures 2037	2,700,000	2.06	1,982,024	-	128,756	1,853,268	131,423
2023 Right-to-Use Lease Liability							
Matures 2025	68,836	6.79	22,912	-	22,912	-	-
2024 Right-to-Use Lease Liability							
Matures 2027	108,881	10.17	-	108,881	18,904	89,976	9,750
2025 Right-to-Use Lease Liability							
Matures 2027	147,732	10.17	-	147,732	31,375	116,357	19,537
2025 Church Water Note							
Matures 2039	3,000,000	0.00	-	3,000,000	200,000	2,800,000	200,000
2023 Note Payable							
Matures 2027	376,500	3.90	287,706	-	92,257	195,449	95,855
Plus deferred issuance premiums			48,684	-	29,211	19,473	-
Total business-type activity long-term liabilities			\$3,050,636	\$3,256,613	\$ 766,546	\$5,540,703	\$ 712,440

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

	Principal	Interest	Total
2026	\$ 683,154	\$ 53,209	\$ 736,363
2027	537,438	39,913	577,351
2028	443,525	34,233	477,758
2029	339,756	29,170	368,926
2030	342,650	26,276	368,926
2031-2035	1,758,800	85,833	1,844,632
2036-2039	1,209,574	12,742	1,222,316
Total	\$5,314,897	\$ 281,376	\$ 5,596,273

3-E. Leases Payable

The District has entered into a five-year lease agreement as lessee for the acquisition and use of two loader backhoes. As of June 30, 2025, the value of the lease liability was \$206,333. The District is required to make annual principal and interest payments of \$51,583. The leases have an interest rate of 10.17%. The right-to-use leased equipment has a three-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$256,613 and had accumulated amortization of \$41,476.

The future principal and interest lease payments as of June 30, 2025, were as follows:

	Principal	Interest	Total
2026	\$ 29,286	\$ 20,993	\$ 50,279
2027	177,047	18,014	195,061
Total	\$ 206,333	\$ 20,993	\$ 245,340

Moapa Valley Water District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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, 2025, 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.

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.

Moapa Valley Water District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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

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.

Employer 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, while the other plan provides for employer-pay contributions only. Under the matching Employee / Employer Contribution plan, a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership rights and active service credit in the System are canceled upon withdrawal of contributions from the member's account. If EPC was elected, the member cannot convert to the Employee / Employer Contribution plan and cannot withdraw these contributions.

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, 2025 and 2024, was 16.75%, and for the year ended June 30, 2023 was 14.875%. The Employer-pay contribution (EPC) rate for the years ended June 30, 2025 and 2024, was 33.50%, and for the year ended June 30, 2023 was 29.75%.

Moapa Valley Water District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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

The District's contribution amounts were as follows:

Year Ended June 30,	Regular Fund
2023	\$ 218,288
2024	238,879
2025	253,929

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, 2024:

Asset Class	Allocation	Real Rate of Return*
Domestic Equity	34%	5.50%
International Equity	14%	5.50%
Domestic Fixed Income	28%	2.25%
Private Markets	12%	6.65%
Short-term Investments	12%	0.50%

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

Pension Liability:

Net Pension Liability

At June 30, 2025, the District reported a liability of \$3,001,348 for its proportionate share of the PERS' 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 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, 2024. The District's Net Pension Liability allocation was as follows:

	Proportionate Share
2023	0.01886%
2024	0.01661%
Increase (Decrease)	-0.00225%

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	\$ 4,826,531	\$ 3,001,348	\$ 1,495,552

Moapa Valley Water District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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, 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 June 30, 2024 funding actuarial valuation

Actuarial assumptions used in the June 30, 2024 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, 2024. 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, 2024.

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

For the year ended June 30, 2025 the District recognized pension expense for PERS of \$323,753. At June 30, 2025, 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	\$ 636,725	\$ -
Changes in assumptions	193,666	-
Net difference between project and actual earnings on pension plan investments	-	295,671
Changes in proportion and differences between contributions and proportionate share of contributinos	223,558	268,119
Subtotal	1,053,949	563,790
Contributions subsequent to the measurement date	253,929	-
Total	<u>\$ 1,307,878</u>	<u>\$ 563,790</u>

Moapa Valley Water District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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

The \$1,307,878 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:

<u>Year Ended June 30,</u>	<u>Deferred Outflows (inflows) of Resources</u>
2026	\$ 71,862
2027	348,119
2028	26,019
2029	(386)
2030	44,544
Thereafter	-
	<u>\$ 490,159</u>

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 of Morrison Law and Jay Lazarus with Glorieta Geoscience, Inc to defend the Districts water rights interest. The matter is currently unresolved as of June 30, 2025 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, 2025
Last 10 Fiscal Years

	Reporting Fiscal Year (Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Proportion of the net pension liability	0.01661%	0.01886%	0.01710%	0.01677%	0.01577%	0.01551%	0.01640%	0.01667%	0.01743%	0.01713%
Proportionate share of the net pension liability	\$ 3,001,348	\$ 3,441,789	\$ 3,087,959	\$ 2,196,255	\$ 2,196,255	\$ 2,115,316	\$ 2,237,064	\$ 2,217,460	\$ 2,345,956	\$ 1,963,325
Covered employee payroll	\$ 1,438,443	\$ 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
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	208.65%	234.54%	243.82%	182.96%	194.88%	198.31%	205.81%	207.46%	220.88%	191.17%
Plan fiduciary net position as a percentage of the total pension liability	78.10%	76.20%	75.10%	86.50%	77.00%	76.50%	75.20%	74.40%	72.20%	75.10%

Moapa Valley Water District
Schedule of Contributions
For the Fiscal Year Ended June 30, 2025
Last 10 Fiscal Years

	Reporting Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 253,929	\$ 238,879	\$ 218,288	\$ 188,133	\$ 175,556	\$ 164,325	\$ 149,336	\$ 152,175	\$ 149,654	\$ 147,805
Contributions in relation to the contractually required contribution	<u>(253,929)</u>	<u>(238,879)</u>	<u>(218,288)</u>	<u>(188,133)</u>	<u>(175,556)</u>	<u>(164,325)</u>	<u>(149,336)</u>	<u>(152,175)</u>	<u>(149,654)</u>	<u>(147,805)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered employee payroll	1,515,990	1,438,443	1,467,481	1,266,513	1,200,381	1,126,984	1,066,684	1,086,964	1,068,870	1,062,074
Contributions as a percentage of covered-employee payroll *	16.75%	16.61%	14.87%	14.85%	14.63%	14.58%	14.00%	14.00%	14.00%	13.92%

* 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, 2025

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
Operating income:				
Water user fees	\$ 4,674,600	\$ 4,674,600	\$ 5,410,811	\$ 736,211
Connection fees	30,000	30,000	27,653	(2,347)
SNWA contract revenue	200,000	200,000	200,000	-
Total operating income	4,904,600	4,904,600	5,638,464	733,864
Operating expenses:				
Salaries and wages	1,675,000	1,675,000	1,547,076	127,924
Employee benefits	874,000	874,000	894,606	(20,606)
Resources development & protection	190,000	190,000	143,008	46,992
Regulatory compliance	67,000	67,000	86,456	(19,456)
Distribution system operations	66,000	66,000	17,917	48,083
Distribution system maintenance	405,000	405,000	296,827	108,173
Treatment operations	115,000	115,000	112,457	2,543
Treatment maintenance	15,000	15,000	2,905	12,095
Customer account expense	82,500	82,500	75,842	6,658
General administrative	788,500	788,500	808,738	(20,238)
Depreciation and amortization expense	1,000,000	1,000,000	1,050,839	(50,839)
340A contract	10,000	10,000	6,578	3,422
Total operating expense	5,288,000	5,288,000	5,043,249	244,751
Net operating income (loss)	(383,400)	(383,400)	595,215	978,615
Non-operating income (expense):				
Interest income	70,000	70,000	197,139	127,139
Capacity fees	55,000	55,000	80,184	25,184
Intergovernmental revenue	535,000	535,000	1,456,620	921,620
Water rights contribution revenue	-	-	3,000,000	3,000,000
Miscellaneous income	52,994	52,994	21,862	(31,132)
Other non-operating income	44,200	44,200	53,631	9,431
Gain (loss) on disposal of assets	-	-	8,500	8,500
Miscellaneous expense	(5,000)	(5,000)	(15,164)	(10,164)
Interest expense	(78,392)	(78,392)	(111,023)	(32,631)
Total non-operating income (expense)	673,802	673,802	4,691,748	4,017,946
Change in net position	290,402	290,402	5,286,963	4,996,561
Net position - beginning, adjusted	26,387,347	26,387,347	26,387,347	-
Net position - ending	\$ 26,677,749	\$ 26,677,749	\$ 31,674,311	\$ 4,996,561

OTHER REPORTS

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**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, 2025, 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 September 2, 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 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 over financial reporting 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

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

Mesquite, Nevada
September 2, 2025