

BIG BEND WATER DISTRICT™

Annual Financial Report

A Discretely Presented Component Unit of Clark County, Nevada for Fiscal Year Ended June 30, 2025

ON THE COVER

The Big Bend Water District (BBWD) serves Laughlin, Nevada — which lies along the Colorado River — providing water to a community of 9,000 and nearly 2 million annual visitors. The Las Vegas Valley Water District (LVVWD) operates and maintains BBWD facilities.

BIG BEND WATER DISTRICT™

Basic Financial Statements and
Government Auditing Standards Report

For the Fiscal Year Ended June 30, 2025

John J. Entsminger
General Manager

Paul Johnson
Chief Financial Officer

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Director of Finance/Controller

Prepared by the Accounting Division of the Finance Department
of the Las Vegas Valley Water District

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BIG BEND WATER DISTRICT
Map of Service Area
As of June 30, 2025



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For the Fiscal Year Ended June 30, 2025

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BIG BEND
WATER DISTRICT™

Independent Auditors' Report

To the Board of Trustees of
Big Bend Water District

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Big Bend Water District (District), a discretely presented component unit of Clark County, Nevada, 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 referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2025, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax consulting services to their clients and are not licensed CPA firms.

Auditors' 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 auditors' report that includes our opinion. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information as listed in the table of contents 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 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 the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Madison, Wisconsin
October 7, 2025

BIG BEND WATER DISTRICT
Statement of Net Position
As of June 30, 2025

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	$	1,957
Accounts receivable, net of allowance for doubtful accounts		530,201
Grants receivable		264,928
Total current assets		797,086
NONCURRENT ASSETS		
Capital assets, net of accumulated depreciation:		
Construction in progress		3,215
Structures and other improvements		59,399,404
Equipment		3,688,155
Accumulated depreciation		(38,570,012)
Total noncurrent assets		24,520,762
TOTAL ASSETS		25,317,848
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable		25,800
Due to other government		2,811,057
Customer deposits		68,162
Total current liabilities		2,905,019
NONCURRENT LIABILITIES		
Due to other government		1,068,964
Total noncurrent liabilities		1,068,964
TOTAL LIABILITIES		3,973,983
DEFERRED INFLOWS OF RESOURCES		
Deferred amount, other government		80,136
Total liabilities and deferred inflows of resources		4,054,119
NET POSITION		
Net investment in capital assets		24,520,762
Unrestricted (deficit)		(3,257,033)
Total net position		21,263,729
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$	25,317,848

See accompanying notes to basic financial statements.

BIG BEND WATER DISTRICT

Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2025

Operating Revenues		
Water sales	$	4,316,977
Operating Expenses		
Salaries and benefits		1,513,496
Energy		337,618
Operations and maintenance		3,925,955
Depreciation		1,764,057
Total Operating Expenses		7,541,126
Operating Loss		(3,224,149)
Non-Operating Revenues (Expenses)		
Interest expense		(2,137)
Total Non-Operating Revenues (Expenses)		(2,137)
Loss Before Contributions		(3,226,286)
Capital contributions		685,830
Change in Net Position		(2,540,456)
Net Position, beginning of year		23,804,185
Net Position, end of year	$	21,263,729

See accompanying notes to basic financial statements.

BIG BEND WATER DISTRICT
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$	4,357,675
Cash payments for employees for services		(1,694,050)
Cash payments to suppliers for goods and services		(3,400,863)
Net cash used in operating activities		(737,238)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets		(1,082,481)
Capital contributed		2,214,235
Principal paid on debt		(386,444)
Interest paid on debt (net of subsidy)		(8,306)
Net cash provided by capital and related financing activities		737,004
NET DECREASE IN CASH AND CASH EQUIVALENTS		(234)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,191
CASH AND CASH EQUIVALENTS AT END OF YEAR	$	1,957

RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES

Operating loss	$	(3,224,149)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		1,764,057
Abandoned projects		1,676,414
Decrease in operating assets and deferred outflows:		
Account receivable		42,483
Deferred amount, other government		225,886
Increase/(decrease) in operating liabilities and deferred inflows:		
Accounts payable		2,850
Customer deposits		(1,455)
Due to other government, accounts payable		(816,884)
Due to other government, pension and OPEB		(406,440)
Net cash used in operating activities	$	(737,238)

See accompanying notes to basic financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

The Big Bend Water District (District) was established in 1983 under the provisions of Nevada Revised Statutes (NRS or Nevada Statutes) 318 for the purpose of obtaining and distributing water in Laughlin, Nevada. Under the 1922 Colorado River Compact, the State of Nevada is allocated 300,000 acre feet per year (AFY) of Colorado River water, from which the District obtains water for distribution under a Colorado River water delivery contract, which provides the District with 10,000 AFY of Colorado River water. An additional 5,352 AFY of Colorado River water is allocated to the District under a cooperative agreement. Historically, the District has utilized approximately 5,000 of its 15,352 total available AFY of Colorado River water. The District currently provides potable water service in Laughlin, Nevada, to a population of approximately 9,000 to 10,000.

The Clark County Board of Commissioners serves as the District's Board of Trustees (the Board); and therefore, the District is included within the Clark County, Nevada Annual Comprehensive Financial Report as a discretely presented component unit. For purposes of these financial statements, the District is the reporting entity.

In evaluating how to define the financial reporting entity, management considered all potential component units using standards prescribed under Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34.* Component units would include any legally separate organizations for which the Board appoints a voting majority of the organization's governing body and (1) is able to impose its will on that organization, or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on the District. Based on these criteria, no component units or other reportable organizations were identified.

The Board appoints an operating agent to manage the day-to-day operations of the District. The Las Vegas Valley Water District (LVVWD) was appointed to be the District's operating agent beginning in September 2008. Prior to this appointment, the District's operating agent was the Clark County Water Reclamation District (CCWRD).

LVVWD was created under a special act of the State of Nevada Legislature in 1947 for the purpose of obtaining and distributing water primarily in the Las Vegas Valley, which includes the metropolitan area of Clark County and the City of Las Vegas. LVVWD's Annual Comprehensive Financial Report (Annual Report) can be obtained by writing to:

Chief Financial Officer
Las Vegas Valley Water District
1001 South Valley View Boulevard
Las Vegas, Nevada 89153

During the year ended June 30, 2025, LVVWD paid all operating expenses on behalf of the District and billed the District for such expenses.

The District has no employees of its own; and therefore, during the year ended June 30, 2025, all District operating activities were performed by LVVWD employees. Consequently, any financial reporting requirements regarding employees utilized by the District including, but not limited to, reporting on post-employment benefits and pensions can be found in LVVWD's Annual Report.

In 1991, the Southern Nevada Water Authority (SNWA), a political subdivision of the State of Nevada, was created under the provisions of NRS 277.080 to 277.180 and by a cooperative agreement among the District, LVVWD, CCWRD, the City of Boulder City, the City of Henderson, the City of Las Vegas, and the City of North Las Vegas (member agencies). SNWA's primary functions are to secure additional supplies of water and effectively manage existing supplies of water on a regional basis through the cooperative action of the member agencies.

The cooperative agreement was last amended in 2005. SNWA is governed by a seven-member board of directors, comprised of one director from each member agency. LVVWD is also the operating agent for SNWA, and LVVWD's General Manager and Chief Financial Officer are also SNWA's General Manager and Chief Financial Officer, respectively.

SNWA has the power to periodically assess the member agencies directly for operating and capital costs and for the satisfaction of any liabilities imposed against SNWA. The District and other members do not have an express claim to the resources of SNWA except that, upon termination of the cooperative agreement, any assets remaining after payment of all obligations shall be returned to the contributing member agencies. For this reason, the District records capital contributions to SNWA as an operating expense. SNWA's Annual Report can be obtained by writing to:

Chief Financial Officer
Southern Nevada Water Authority
1001 South Valley View Boulevard
Las Vegas, Nevada 89153

Basic Financial Statements

The government-wide/proprietary fund financial statements include a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows, and present information for the District's non-fiduciary activities, which consist solely of business-type activities that are accounted for in a single proprietary (enterprise) fund. The District does not currently maintain any governmental or fiduciary fund types.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide/proprietary fund financial statements are reported on the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. In this regard, the District's operations are accounted for in a manner similar to a private business enterprise, where the intent of the governing body is that the costs of providing goods and services to customers on a continuing basis are financed or recovered primarily through user charges, and its financial measurement focus is on determination of net position and cash flows.

The District adheres to all applicable financial accounting and reporting standards of the GASB.

Proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The District's primary operating revenue is charges for services (water sales). Operating expenses include the costs associated with the water sales, administrative expenses, and depreciation. All revenues and expenses not directly related to providing services, and producing and delivering goods are reported as nonoperating revenues and expenses. Although capital contributions are reported separately, they are nonoperating revenues.

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

Cash and Cash Equivalents

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

At June 30, 2025, all District cash and cash equivalents were deposited with LVVWD, the District's operating agent, in a manner like an external investment pool. The amounts deposited with LVVWD are sufficiently liquid to permit withdrawals in the form of cash at any time without prior notice or penalty; and therefore, they are deemed to be cash equivalents (Note 3). Cash and cash equivalents deposited with financial institutions are partially insured by the Federal Deposit Insurance Corporation (FDIC) and are further secured by collateral pledged by individual financial institutions with the State of Nevada, Office of the State Treasurer, in the Pooled Collateral for Deposits Program.

Receivables

At June 30, 2025, accounts receivable of $530,201, consists primarily of unbilled and/or uncollected water sales, which are expected to be collected within one year. At June 30, 2025, an allowance for uncollectible accounts balance of $8,952 was recorded as an offset to accounts receivable.

When available, the District seeks other available sources to fund capital projects such as grants. At June 30, 2025, grants receivable related to reimbursable design, engineering and capital costs totaled $264,928.

Capital Assets

Capital assets include structures, improvements, and equipment and are recorded at cost where historical records are available and, if no historical records exist, at estimated cost (Note 3). Donated capital assets, if any, are recorded at engineering estimates of acquisition value on the date received. Capital assets are defined as assets with an initial cost of at least $10,000 and an estimated useful life of three years or more. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's functionality are not capitalized. Major outlays for capital assets and improvements are capitalized as the projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives as follows:

Assets	Years
Equipment	3 - 10
Meters/Services	20 - 30
Structures and improvements	5 - 50
Telemetering/Valves and Miscellaneous	10 - 75
Transmission/Distribution/Mains	50 - 75

Capital Contributions

Capital contributions consist of shared sales tax revenue of $299,959 and grant revenue of $385,871. No distinction is made between property acquired through capital contributions and property purchased from operating funds.

Net Position

Net position is displayed in two components:

(1) Net investment in capital assets, net of related debt represents the District's equity interest in its capital assets. It reflects the cost of capital assets less accumulated depreciation and less the outstanding principal of related debt, excluding unspent proceeds.

(2) Unrestricted net position (deficit) represents fund equity balance that does not meet the definition of net position invested in capital assets.

Use of Estimates

Timely preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates that affect reported amounts. These estimates may require revision in future periods.

New Accounting Pronouncements

In June 2022, the GASB issued Statement No. 101, *Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. This Statement did not impact the District directly as it has no employees. However, the District recognized its share of the LVVWD's implementation of the Statement. The District did not adjust the beginning net position as the impact was immaterial.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints which may limit a government's ability to acquire resources or control spending. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024. The District has not identified any significant risks covered by this Statement as of June 30, 2025.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The District is currently evaluating how the adoption of Statement No. 103 will affect the District's financial position, results of operations, or cash flows.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements for this Statement are effective for fiscal years beginning after June 15, 2025. The District is currently evaluating how the adoption of Statement No. 104 will affect the District's financial position, results of operations, or cash flows.

Other recent accounting standards issued by the GASB are not believed to have an effect on the District's present or future financial position, results of operations, or cash flows.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The District's budget is adopted annually by its Board of Directors. According to NRS 354.596, the District must submit a tentative budget to the Nevada Department of Taxation on or before April 15 and provide notice of the budget's public hearing no more than 14, nor less than seven days, before the date set for the public hearing. Although not required, the District typically holds a budget workshop in April. The budget workshop is conducted in a public meeting which includes opportunity for public comment. The public hearing is typically held on the third Monday in May and is also a public meeting. NRS 354.598 requires that, subsequent to conducting the public hearing, the Board adopt a final budget for the District and transmit it to the Nevada Department of Taxation no later than June 1. The final budget's appropriations lapse at the end of the budget's fiscal year.

NRS 354.626 generally prohibits expenditures in excess of appropriations at the function level, which is the legal level of budgetary control. Budget transfers are reviewed by the Finance Department. Augmentations to increase total appropriations are accomplished by formal Board action. The District did not exceed its authorized appropriations in the fiscal year ended June 30, 2025. For a comparison of the results of financial activities to the final budget, see the Other Supplementary Information section directly following the notes to the basic financial statements.

NOTE 3. SELECT DETAILED STATEMENT OF NET POSITION INFORMATION

Cash and Cash Equivalents

At June 30, 2025, all the District's cash and cash equivalents were deposited with LVVWD, the District's operating agent, in a manner like an external investment pool. The amounts deposited with LVVWD are sufficiently liquid to permit withdrawals in the form of cash at any time without prior notice or penalty; and therefore, they are deemed to be cash equivalents.

LVVWD invests monies held on behalf of the District through a pooling of monies, which are invested as a whole and not as a combination of monies. In this manner, LVVWD can invest the monies at a higher interest rate for a longer period. Due to the nature of the pooling, it is not possible to separately identify any specific investment as being that of the District. Instead, the District owns a proportionate share of each investment. Investment income is apportioned monthly based on the average daily cash balance of the component for the month.

The fair value of the District's position in the pooled monies is equal to the value of the District's proportionate share of the pooled monies. LVVWD, and therefore, the District, has a formal investment policy that is designed to ensure conformity with NRS 356.020 establishing a Nevada State Treasurer's Pooled Collateral Program for local governments. The primary objective of the collateral pool is to reduce the risk for government agencies, while at the same time, decrease the overall collateral requirement for depositories. By centralizing the administration and reporting functions through the State Treasurer's Office, both government agencies and depositories realize cost savings in terms of operational support and collateral efficiency. The bank utilized by the District participates in the pool by pledging securities for the District's monies on deposit. The collateral pool for public fund deposits administered and monitored by the Nevada State Treasurer's Pooled Collateral Office requires depository banks to place acceptable securities of no less than 102 percent of the fair value of the aggregate total deposits of public entities in Nevada with a third-party custodian.

The District is committed to minimizing the investment related risks of its financial assets and ensuring the safety, liquidity, and yield of it's portfolio.

Capital Assets

For the fiscal year ended June 30, 2025, changes in capital assets were as follows:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Capital assets, not depreciated:				
Construction in progress	$ 3,754,918	$ 979,676	$ (4,731,379)	$ 3,215
Capital assets, depreciated:				
Structures and other improvements	56,241,634	3,157,770	—	59,399,404
Equipment	3,688,155	—	—	3,688,155
Total capital assets, depreciated	59,929,789	3,157,770	—	63,087,559
Accumulated depreciation:				
Structures and other improvements	(35,124,779)	(1,566,432)	—	(36,691,211)
Equipment	(1,681,176)	(197,625)	—	(1,878,801)
Total accumulated depreciation	(36,805,955)	(1,764,057)	—	(38,570,012)
Total capital assets, net	$ 26,878,752	$ 2,373,389	$ (4,731,379)	$ 24,520,762

Construction in progress decreased in fiscal year 2025 due to the capitalization of several projects and an expensed capital project. The expensed capital project was the Riverbank Filtration Well. The Riverbank Filtration Well's yield was far below the required specifications, and the limited volume of water produced contained high contaminant levels of manganese that exceeded the Environmental Protection Agency's secondary water quality standards. As a result, the well was not suitable to reliably serve as a secondary source or emergency back-up water supply, and the well was safely capped in place.

Due to Other Government

Current

In June 2019, the LVVWD set up a trust to provide a means to fund postemployment benefits other than pensions (OPEB). As of June 30, 2025, the District's initial contribution of $153,650 to fund its share of the OPEB trust is included in due to other government, current. Also, included in due to other government, current is $2,657,407 representing the amount due to LVVWD for reimbursement of expenses paid on behalf of the District. The total amount paid by LVVWD during the fiscal year for capital and operating expenditures, debt service payments, and administrative expenses was $5,755,357. This was offset by the water sales cash receipts, sales tax receipts, and grant receivable cash receipts collected by LVVWD on behalf of the District totaling $6,572,240.

Noncurrent

Effective July 1, 2014, the LVVWD implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27.* Because of this implementation, the LVVWD allocated a portion of the net pension liability to the District. For the fiscal year ended June 30, 2025, the allocated net pension liability is $1,059,500.

Effective July 1, 2017, the LVVWD implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. This Statement replaced the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multi-Employer Plans*, for OPEB. Because of this implementation, the LVVWD allocated a portion of the liability related to postemployment benefits other than pensions (OPEB) to the District. For the fiscal year ended June 30, 2025, the allocated net OPEB liability is $9,464.

As of June 30, 2025, due to other government, noncurrent is $1,068,964. Although the implementations of GASB Statements No. 75 and 68 were not applicable to the District, the District is liable to the LVVWD for its proportionate share of the OPEB and pension liabilities.

The following chart summarizes the payable balances reflected in due to other government at June 30, 2025:

Current		
Initial OPEB Trust contribution	$	153,650
Reimbursement amount due to LVVWD		2,657,407
Total current		2,811,057
Noncurrent		
Allocated portion of LVVWD pension obligation		1,059,500
Allocated portion of LVVWD OPEB obligation		9,464
Total noncurrent		1,068,964
Total due to other government	$	3,880,021

State Revolving Fund Loans

The District originally issued two General Obligation Water Series 2003 and 2004 (GO Series 2003 and 2004) bonds that were purchased by the State of Nevada on January 1, 2005 and July 1, 2006, respectively, thereby cancelling the GO Series 2003 and 2004 bonds and subsequently issuing the State of Nevada Drinking Water Revolving 2003 and 2004 Loan. These loans are to provide funds for the improvement, acquisition, or construction of major capital assets. All outstanding long-term debt obligations associated with the State of Nevada Drinking Water Revolving 2003 and 2004 loans were fully retired during fiscal year ended June 30, 2025 .

At June 30, 2025, State of Nevada Drinking Water Revolving Fund Loans (SRF) outstanding were as follows:

Direct borrowings	Maturity Date		Original Amount	Interest Rate		Balance June 30, 2025
SRF Loan 2003	January 1, 2025	$	4,000,000	3.19 %	$	—
SRF Loan 2004	July 1, 2024		3,197,729[1]	3.20		—
Total Direct Borrowings		$	7,197,729		$	—

[1] The 2004 series bonds were authorized in the aggregate principal amount of $6,000,000 for the purpose of expanding the District's water delivery system. The State of Nevada agreed to finance this expansion project by purchasing, at par, up to $6,000,000 of the District's general obligation bonds as the project is completed. The original amount of 2004 series bonds that had been purchased by the State of Nevada totaled $3,197,729.

For the fiscal year ended June 30, 2025, changes in long-term obligations were as follows:

Bond issue series	Balance July 1, 2024	Reductions	Balance June 30, 2025	Due within one year
Direct borrowings				
SRF 2003	$ 265,703	$ (265,703)	$ —	$ —
SRF 2004	120,741	(120,741)	—	—
Total direct borrowings	$ 386,444	$ (386,444)	$ —	$ —

Direct Borrowings

As of June 30, 2025, the District does not have direct borrowings or assets pledged as collateral. The District does not have terms specified in its debt agreements related to significant (1) events of default with finance-related consequences, (2) termination events with finance-related consequences, or (3) subjective acceleration clauses.

Debt Covenants

Management believes that the District has complied with all legal requirements, limitations, and restrictions imposed by debt covenants. The District is required to set user charges (primarily water rates) at levels sufficient to cover all operating and maintenance expenses (excluding depreciation), all debt service requirements and amounts pertaining to the water system, and to comply with the requirements of the Safe Drinking Water Act and 40 CFR Part 31. Other requirements of debt covenants include the District foregoing any action or not omitting to take any action that would cause paid bond interest to lose its federal tax-exempt status.

NOTE 4. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In fiscal year 2016, the LVVWD implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which resulted in the recognition of deferred amounts related to its pension. In fiscal year 2018, the LVVWD implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which resulted in the recognition of deferred amounts related to its postemployment benefits other than pensions. The District's deferred amounts are its recognition of its share of the LVVWD's deferrals described above. As of June 30, 2025, the District had no deferred outflows of resources and $80,136 of deferred inflows of resources due to other governments. These amounts are related to $1,059,500 and $9,464 of pension and OPEB liabilities, respectively.

NOTE 5. RISK MANAGEMENT

The District's operating activities are comprised primarily of obtaining and distributing water in Laughlin, Nevada; and therefore, realization of the District's receivables and its future operations could be affected by an adverse change in the economic conditions in the area.

The District is exposed to various risks of loss related to torts; theft of, or damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains a risk management program to assess coverage of potential risks of loss. Beginning in September 2008, the District was included in LVVWD's risk management programs and as such assumes the same risks and receives the same benefits from such programs as LVVWD.

LVVWD CI, Inc. (LVVWD CI) was established as of January 1, 2022 to act as a captive insurance company for LVVWD. LVVWD self-insures the first $1 million of property, automobile, general liability, public officials and

employment practices liability claims, the first $750,000 of workers compensation claims, the first $250,000 in pollution claims, and the first $150,000 in cyber liability claims through the captive, and purchases $20 million of excess liability insurance. The District also purchases a variety of additional smaller insurance policies to meet operational needs and risk thresholds, including an employee fidelity insurance policy in the amount of $3 million. For the fiscal year ended June 30, 2025, the District had no significant reductions in insurance coverage from the prior fiscal year.

The LVVWD procures property insurance on behalf of the District covering its buildings, contents, and equipment from the commercial insurance market. The blanket limit of liability under the property insurance program is $500 million with a deductible of $1 million for all locations, except earthquake and flood which has a limit of $100 million and $50 million. This program also provides terrorism insurance for all locations with a blanket limit of $250 million for all terrorist acts with a deductible of $10,000. The District self-insures its fleet of vehicles for property damage.

LVVWD settlements and awards have not exceeded insurance coverage in each of the past three years.

GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues,* requires that for retained risks a liability for claims be reported if information available prior to issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. In addition, there are also situations in which incidents occur before the balance sheet date, but claims are not reported or asserted when the financial statements are prepared. These incurred but not reported claims have been estimated based upon the District's past experience and adjusted for current trends. At June 30, 2025, the District had no significant retained risks; and therefore, has no accrued liability for retained risks. Information regarding LVVWD's retained risks can be found in LVVWD's Annual Comprehensive Financial Report, which can be obtained by writing to:

Chief Financial Officer
Las Vegas Valley Water District
1001 South Valley View Boulevard
Las Vegas, Nevada 89153

NOTE 6. CONTINGENT LIABILITIES

In the ordinary course of its operations, claims are filed against the District. It is the opinion of management that these claims will not have any material adverse effect on the District's financial position, results of operation, or cash flows.

The District does not accrue for estimated future legal and defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when services are rendered.

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

NOTE 7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 7, 2025, the date the basic financial statements were available to be issued. No material events were identified that require disclosure.

Supplementary Information

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Supplementary Information

Budgetary Comparison - Statement of Revenues, Expenses and Changes in Net Position,

For the Fiscal Year Ended June 30, 2025

	Budget	Actual
OPERATING REVENUES		
Water sales	$ 4,195,980	$ 4,316,977
OPERATING EXPENSES		
Salaries and benefits	3,327,199	1,513,496
Purchased energy	475,000	337,618
Operations and maintenance	2,544,676	3,925,955
Depreciation	1,746,320	1,764,057
Total operating expenses	8,093,195	7,541,126
OPERATING LOSS	(3,897,215)	(3,224,149)
NONOPERATING REVENUES / (EXPENSES)		
Interest expense	(8,306)	(2,137)
Total nonoperating expenses	(8,306)	(2,137)
LOSS BEFORE CONTRIBUTIONS	(3,905,521)	(3,226,286)
CONTRIBUTIONS		
Capital contributions	918,371	685,830
CHANGE IN NET POSITION	$ (2,987,150)	$ (2,540,456)

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS

BIG BEND WATER DISTRICT™

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*

Independent Auditors' Report

To the Board of Trustees of
Big Bend Water District

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 (*Government Auditing Standards*), the financial statements of the Big Bend Water District (the District), a discretely presented component unit of Clark County, Nevada, which comprise the District's statement of net position as of June 30, 2025, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 7, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements, including whether the funds established by the District, as listed in Nevada Revised Statutes (NRS) 354.624 (5)(a)(1 through 5), complied with the express purposes 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.

Baker Tilly US, LLP

Madison, Wisconsin
October 7, 2025