



**LAS VEGAS VALLEY
WATER DISTRICT®**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

A DISCRETELY PRESENTED COMPONENT UNIT OF CLARK COUNTY, NEVADA
FOR FISCAL YEARS ENDED JUNE 30, 2021 AND 2020





LAS VEGAS VALLEY WATER DISTRICT™

Comprehensive Annual Financial Report
A Discretely Presented Component Unit of Clark County, Nevada

Fiscal Years Ended June 30, 2021 and 2020

John J. Entsminger
General Manager

E. Kevin Bethel
Chief Financial Officer

Marliese S. Horsewood
Director of Finance/Controller

W. Benjamin Hokanson
Accounting Manager

Prepared by the Accounting Division of the Finance Department
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Introductory Section

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- Letter of Transmittal
- List of Principal Officials
- Map of Service Area
- Organizational Chart
- Certificate of Achievement for
Excellence in Financial Reporting



**LAS VEGAS VALLEY
WATER DISTRICT™**

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LAS VEGAS VALLEY WATER DISTRICT™

1001 South Valley View Boulevard
Las Vegas, NV 89153
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October 14, 2021

To the Board of Directors
and customers:

We are pleased to present the Las Vegas Valley Water District's (District) Comprehensive Annual Financial Report (Annual Report) for the fiscal year ended June 30, 2021. The Annual Report was prepared in conformance with accounting principles generally accepted in the United States (GAAP).

District management is responsible for the completeness and reliability of the financial information presented in this report. To provide reasonable assurance of the proper recording of transactions, management has established and maintains a system of internal accounting and other controls. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits derived. Where necessary, the basic financial statements include amounts based upon management's best estimates and judgments.

Nevada Revised Statute (NRS) 354.624 and bond covenants require an annual audit of the basic financial statements of the District. BDO USA, LLP has audited the District's basic financial statements as of and for the fiscal years ended June 30, 2021 and 2020. The objective of the independent audit was to provide reasonable assurance that the basic financial statements of the District for the fiscal years ended June 30, 2021 and 2020 are free of material misstatement. An independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based on the audit, the independent auditor concluded there was a reasonable basis for rendering an unmodified ("clean") opinion that the District's basic financial statements for the fiscal years ended June 30, 2021 and 2020 are fairly presented in all material respects in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. This transmittal letter is designed to complement the MD&A and should be read in conjunction with it.

PROFILE OF THE DISTRICT

The District is a governmental subdivision of the State of Nevada and a quasi-municipal corporation created by a special act of the Nevada Legislature in 1947. The District was established to acquire and distribute water primarily in the Las Vegas Valley, which includes the unincorporated metropolitan area of Clark County and the City of Las Vegas. The District commenced operations on July 1, 1954.

The District is governed by a seven-member Board of Directors (Board) comprised of the elected Clark County Commissioners. The Board has the sole authority to set rates and charges for water. Such rates and charges must be reasonable and cannot be applied until after a public hearing and subsequent Board approval. The enabling legislation that created the District, in conjunction with various bond covenants, require that rates and charges be sufficient to provide for operation and maintenance costs, general expenses of the District and debt service payments. Daily operations of the District are directed by a general manager appointed by the Board and three deputy general managers. The District's vision is "To be a global leader in service, innovation and stewardship" and its mission is to "Provide world class water service in a sustainable, adaptive and responsible manner to our customers through reliable, cost effective systems." The Board has adopted a series of strategic goals to support the District's vision and mission.

Beginning in September 2008, the District was appointed to be the operating agent for the Big Bend Water District (BBWD). Prior to the appointment, BBWD's operating agent was the Clark County Water Reclamation District. The BBWD was established in 1983 under the provisions of Chapter 318 of the Nevada Revised Statutes for the purpose of obtaining and distributing water in Laughlin, Nevada. The Clark County Board of Commissioners serves as the BBWD Board of Trustees.

The District also functions as the operating agent for the Southern Nevada Water Authority (SNWA). The SNWA is a joint powers authority created in 1991 to address Southern Nevada's unique water needs on a regional basis. The SNWA is charged with acquiring and managing current and future resources, constructing and managing regional water facilities, and promoting water conservation. The District is one of the SNWA's seven member agencies. In 1996, the SNWA assumed all assets and liabilities of the Southern Nevada Water System (SNWS) from the Colorado River Commission of Nevada (CRC). Originally financed and constructed by the State of Nevada with assistance from the Federal Government, the SNWS is used to treat and convey Colorado River water from Lake Mead to the Las Vegas Valley. The District operates the SNWS on behalf of the SNWA as it did previously for the CRC. For additional information on the District's relationship to the SNWS and the SNWA, see Note 13.

As required by Nevada law, the District's budget is approved annually by its Board following a public hearing, and a copy of the budget is submitted to the Nevada Department of Taxation. Budgetary controls are established at the levels of total estimated operating and nonoperating expenditures, including capital expenditures.

The budget provides the fiscal plan for District expenditures at various levels. These levels always include departments and divisions, and in some instances, sections. Most disbursements are made through the issuance of purchase orders. Purchases of vehicles are administered by the District's Environmental, Health, Safety, and Corporate Security Department and Fleet Division; communication and computer equipment purchases are administered under the authority of the Information Technology Department; and new positions are controlled by the Human Resources Department. The Finance Department prepares and distributes monthly budget variance reports, and division managers are accountable for variances between the budgeted and actual expenditures.

The District's financial report is included as a discretely (separately) presented component unit within Clark County's Comprehensive Annual Financial Report. The District does not function as an integral part of Clark County's government, but the exclusion of the District's financial statements would render the financial statements of Clark County incomplete.

The District's organizational structure has evolved to meet the demands of major water facility expansions, conservation, customer service initiatives and special projects. During the past two years, the District's departments and divisions went through restructuring to provide more cost efficiencies and a better customer service experience.

For over a half-century, the District's customers have enjoyed one of the nation's most reliable municipal water systems. During that time, the District has developed from a system serving a population of approximately 25,000 exclusively with groundwater to a 300-square-mile water delivery network providing Colorado River water to the vast majority of its 408,542 customer accounts.

The District operates and maintains a complex water distribution system via its own or other system assets consisting of:

- over 6,900 miles of pipeline
- 43 reservoirs
- 53 pumping stations
- almost 1.3 billion gallons of storage capacity
- 76 production/recharge wells
- More than 402,000 water meters

Each of these components is critical to ensuring that the District's customers have reliable access to water at all times.

Despite the relative youth of the District's water system, various components are more than 50 years old and reaching the end of their useful lives. Capital improvements are necessary to continue reliable operation of the water distribution system as well as addressing state mandated water quality issues and new development needs. To continue meeting customer needs and conservation goals, water infrastructure requires consistent monitoring, maintenance, rehabilitation and eventual replacement. Under the District's asset management plan, the condition of existing water infrastructure is assessed to forecast short and long-term capital replacement needs. These assessments allow staff to determine costs and timelines associated with major capital projects while ensuring the availability of adequate financial resources to replace infrastructure reaching the end of its useful life. The proactive monitoring and maintenance of the District's assets helps to prevent costly emergency repairs, avoid unanticipated service interruptions, reduce maintenance deferrals and provide a more reliable water system for customers.

In January 2017, the District's Board adopted a \$616 million (in 2016 dollars) ten-year Capital Improvement Plan (CIP) that guides decisions related to asset management, necessary water system expansion and water quality compliance activities. The CIP represents a significant investment over a ten-year planning horizon to facilitate improvements to the following key system components:

- Reservoirs
- Pumping stations
- Pipelines and service laterals
- Valves and vaults
- Meters
- Water quality systems
- Groundwater wells
- Facilities and building improvements
- Electrical systems
- Communication systems
- New facilities

Projections indicate that an investment of approximately \$390 million will be required over the ten-year planning horizon to maintain system infrastructure in a manner that meets current service levels and water quality standards. Key projects include: reservoir and pumping station maintenance and rehabilitation; replacement and renewal of vaults and valves; pipeline and service lateral replacement; cyclical water meter replacement; and upgrades to the Supervisory Control and Data Acquisition (SCADA) control system.

The District continues work on meter vault reconstruction projects at several locations throughout the Las Vegas area. The meter vault reconstruction projects are driven by safety needs for staff and customers, as well as the operability and maintainability of the facilities within the vault structures. These vaults have exhibited moderate to severe structural deterioration as well as significant corrosion of the piping and equipment contained within them. Reconstruction of the vaults will increase safety for staff working within these structures and improve system reliability.

In addition to rigorous and regular testing, the District must comply with various state and federal mandates to protect water quality throughout the system. One of these mandates is backflow protection, a mechanism that prevents the reintroduction of water from private properties into the municipal water system. Approximately 35,000 meters within the District's service area do not currently have backflow protection. While a portion of these meters will be retrofitted as needed in the years to come, the District has identified more than 11,800 meters to be included in the backflow retrofit program over the next decade at an annual cost of approximately \$10 million. Backflow installations have been prioritized based on their degree of risk to the system. There have been 1,719 backflow retrofit installations to date, and workgroups across the organization continue collaborating on this project to minimize customer impacts during the installation process, ensuring customers are informed of potential service interruptions and increasing efficiency in managing and tracking the backflow installations.

The ten-year CIP projects approximately \$126 million will be spent on the construction of a total of four reservoirs, four pumping stations and associate appurtenances in the northwest, southwest, and far west parts of the valley. These projects will benefit existing customers and facilitate access to the municipal water supply for planned developments.

Construction on a 10-million-gallon reservoir on the western edge of the Summerlin community was completed in the summer of 2019. The project consisted of the construction of two 5-million-gallon basins, and the installation of approximately 3,000 feet of 42-inch pipeline to connect the reservoir to the existing water distribution system. The new reservoir and pipelines add capacity, reliability and emergency storage for current and future demands of the area.

The District's SCADA center allows water system operators to monitor the water system 24 hours per day. It also uses advanced instrumentation to detect minute changes in water quality. The SCADA system was upgraded in the fall of 2019 to provide the ability for long-term maintenance, improved functionality for operators, increased vendor and integrator support and enhanced cybersecurity tools.

Renewable energy remains a key component of the organization's energy strategy and aligns with the corporate objective of promoting sustainability. Toward that end, solar photovoltaic carports have been installed over the past two years at the District's main employee parking lots. The new carports are projected to produce more than 4,200 megawatt hours (MWh) per year of solar energy, which will be used to offset the campus' overall energy requirements. The project will also bolster efforts to meet Nevada's Renewable Energy Portfolio standard of 50 percent by 2030.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy – The COVID-19 pandemic continues to add a level of uncertainty to all economic forecasts, but most expectations are for continued recovery. According to a report from the University of Nevada, Las Vegas' Center for Business and Economic Research issued in June 2021, the economy is expected to show significant improvement over the next two calendar years.

- Southern Nevada population will grow at 1.7 percent in 2021 and 2.2 percent in 2022.
- Employment will grow at 4.7 percent in 2021 and 2.4 percent in 2022.
- Visitor volume will grow at 57.0 percent in 2021 and 13.2 percent in 2022.
- Gross gaming revenue will grow at 35.5 percent in 2021 and 10.7 percent in 2022.

Current economic indicators for Las Vegas suggest most areas are improving and some are doing very well.

- Unemployment declined from 33.3 percent in April 2020 to 9.4 percent in July 2021. Although a significant improvement, it is still more than twice the average for the 12 months prior to the quarantine.
- Visitor volume was 3.3 million in July 2021. After declining to 0.1 million in April 2020, it has recovered to 90 percent of what it was in July 2019.
- Gaming revenues were over \$1.0 billion per month in May, June, and July 2021. These are the three highest months on record.
- Convention attendance averaged 560,000 visitors per month from March 2019 to February 2020, but declined to zero in April 2020 and has not yet fully recovered.
- Taxable sales in Clark County were \$4.9 billion in June 2021, which is an increase of 36.6 percent over June 2020 and an increase of 15.57 percent over June 2019.

There is a large pent-up demand for vacation travel to Las Vegas, which is evident in the increased gaming revenues throughout 2021. However, the concerns over potential continued spread of COVID-19 variants and the diminishing rate of vaccinations remain. The longer the virus persists as a threat, the slower the recovery will be.

Long-Term Financial Planning – The District is consistently engaged in proactive, long-term financial planning to identify future infrastructure needs and ensure rates are predictable and increases controlled. The District's long-term financing plan includes utilizing a combination of the District's unrestricted cash and investment funds, and debt financing, to fund capital expenditures. Given the rapidly changing global developments from the COVID-19 pandemic and the federal, state, and local responses, the District continues to monitor the economic developments and impacts on its long-term financial planning efforts and will adapt accordingly.

The District regards its cash reserves as a critical component of its fiscal health and one of the most important metrics supporting an investment grade bond rating AA and Aa1 from S&P Global Ratings and Moody's, respectively. Cash reserves are monitored regularly and revenue shortfalls are managed through a combination of methods. Departments are required to practice careful management of financial resources. User fees and charges are adjusted to maintain required revenue bond coverage and sufficient working capital. Financial reserves are used sparingly. When used, the reserves are compared to long-range projections of reserve levels, and modifications to revenue and expense streams are made as needed.

In January 2016, the District's Board approved a reserve policy to provide guidance for maintaining adequate cash and investment reserves. Maintaining adequate reserves is an important tool in mitigating the risks of significant and unexpected decreases in sources of funds and/or increases in the uses of funds. Maintaining adequate reserves helps to ensure stable services and fees and allows the District to better respond to unforeseen negative changes in the local economy while providing a continuous and reliable water supply. In addition, prudent reserves along with a formal reserve policy are key factors rating agencies consider in their evaluation of creditworthiness.

In February 2016, the Board appointed a nine-member citizen's advisory committee to evaluate organizational initiatives and make recommendations to the Board. Specifically, the committee was tasked with evaluating funding options for the proposed ten-year CIP and changes to the District's Service Rules. The committee met nine times between February and October 2016 and evaluated equity within the Service Rules, the need to invest in infrastructure maintenance and maintain revenue stability and other water-related issues. After careful deliberation, the committee presented 11 recommendations to the Board. In January 2017, the Board approved the recommendations which included, among other things, tier consumption rate and service charge increases of 3 percent each in 2017 and 2018 and annual increases tied to the Consumer Price Index in the years following. The initial 3 percent rate increases became effective in February 2017 and January 2018. The recommendations adopted by the Board will fund the District's operating and capital needs over the remaining planning horizon of the ten-year CIP and meet the reserve targets set forth in the Board adopted Reserve Policy.

The District also collects from its customers several fees and charges which are remitted to the SNWA. For more information, see Note 13. In December 2013, increases to the SNWA Infrastructure Charge and SNWA Commodity Charge were approved and effective on January 1, 2014 and increased annually on January 1 through 2017. Revenues generated from these SNWA charges help to fund debt service on SNWA bond obligations and future regional infrastructure .

In March 2015, subsequent increases to the SNWA Infrastructure Charge were approved and effective on January 1, 2016 and increased annually on January 1 through 2018. Revenues generated from these SNWA charges help to fund debt service on SNWA bond obligations associated with the new low lake level pumping station completed in April 2020, which was needed to maintain Southern Nevada's access to Colorado River water even in severe drought conditions.

In November 2020, additional increases to the SNWA's Infrastructure Charge, Commodity Charge, and Regional Connection Charge were approved. These increases will be phased in over a six year period, beginning in January 2022. These rate increases will help fund the \$3.2 billion amended Major Construction and Capital Plan.

Relevant Financial Policies – The District's financial policy is to charge reasonable rates, fees and other charges sufficient to pay for water service, the costs of operation and maintenance of its facilities, the general expenses of the District, necessary capital expenditures, and principal and interest on all bonds and other obligations of the District. It is also District policy to establish rates and charges sufficient to maintain a debt service coverage ratio in accordance with its bond covenants. The District deposits all monies received from the sale or distribution of water or otherwise derived from the works or property of the District into the Revenue Fund. Further, the District keeps proper books of records and accounts in accordance with sound accounting practice; complete and correct entries are made of its works, properties, and the revenues received.

Major Initiatives – The District is not immune to the impacts of the COVID-19 pandemic. In response, beginning mid-March 2020, the District immediately adjusted normal operations by retaining limited personnel onsite to ensure critical daily operations continue to meet its core function of delivering safe,

quality drinking water. The District utilized technology and mobilized resources to ensure the remaining workforce had the ability to work full-time remotely.

The District developed its Pandemic Readiness and Response Plan more than ten years ago to address potential influenza outbreaks and has updated that plan accordingly as the District continues to monitor COVID-19. To ensure water meets or surpasses drinking water standards, the District continuously monitors water quality 24 hours a day, 365 days a year. Southern Nevada's drinking water is treated using a combination of ozonation, filtration and chlorination, which are on the leading edge of water treatment processes and effective at removing contaminants from water.

The District does not anticipate any current scenario that would interrupt water availability to the community. Staff remains committed to ensuring water quality, reliability and security remain to the highest standards throughout this COVID-19 pandemic.

The District evaluates, on an ongoing basis, opportunities to improve efficiencies and performance through major initiatives. The following were major initiatives for fiscal year 2021 unless otherwise indicated:

- Conservation initiatives continue as the drought persists within the Colorado River Basin. One example is the Nevada Legislature passing Assembly Bill 356, which prohibits, with certain exceptions, the waters of the Colorado River that are distributed by the SNWA, or one of the member agencies of the SNWA, from being used to irrigate nonfunctional turf on any property that is not zoned exclusively for a single-family residence on and after January 1, 2027. Another example is ceasing service to new man-made lakes and ornamental water features, except resort-hotel water features and man-made lakes that agree to participate in abatement efforts, and new recreational water parks will also be required to offset their water use. Additionally, service to properties whose wastewater is discharged to a septic system instead of a municipal sewer system that returns resources to Lake Mead is now prohibited.
- The District continues to increase its public outreach efforts, educating customers on sustainable practices, and helping customers self-impose additional standards to conserve water. The District's water waste enforcement presence is expanding its suite of tools for citizens to report water waste, including the organization's website reporting form and a new mobile application was launched in late 2020 to report water waste more easily.
- The District is in the process of implementing Advanced Metering Infrastructure (AMI) and software. The AMI system will optimize customer and field services communication through timely meter reads and events, and support conservation by improving the District's ability to monitor and address water leaks in a more efficient manner. With AMI, the District will be able to provide enhanced customer service and interaction, increased support for conservation initiatives, optimized service response and more efficient management. This process is expected to be completed in 2023.
- The District's SCADA center will receive an upgrade this year, which will allow for long-term maintenance, improved functionality for operators, increased vendor and integrator support and enhanced cybersecurity tools.
- Customer service remains a top priority for the District and the organization is continually pursuing opportunities to ensure customers consistently receive high quality service. Two additional payment kiosks were installed in the District's main parking lot to allow for customers to make payments in a drive-thru manner. Also, the District's mobile application gives customers the ability to transact with the organization on mobile devices.

Springs Preserve - The Springs Preserve, located on District property, is a 180-acre cultural and historical attraction designed to commemorate Las Vegas' dynamic history and provide a vision for a sustainable future. The Springs Preserve serves as a hub for sustainability education and initiatives in the community. Some exciting projects have been completed and more are underway that expand the programs and offerings of the facility.

The Springs Preserve's Botanical Gardens electrical expansion was completed. This project provided electrical outlets throughout the gardens and in-ground conduit for eventual low voltage lighting and speaker installation. Also, Springs Preserve staff worked with the Nevada Department of Wildlife and the U.S. Fish and Wildlife Service to introduce the endangered Pahrump poolfish and imperiled Relict Leopard frogs into the ponds at the Springs Preserve's Cottonwood Grove. Research conducted this year suggests that the ponds provide a high-quality breeding ground and recruitment habitat and the Springs Preserve was awarded a grant to improve conditions in two additional on-site ponds. Another project, the Sustainability Gallery remodel project, is expected to be completed in late 2021.

CONTINUING DISCLOSURE

On November 10, 1994, the U.S. Securities and Exchange Commission amended the Securities Exchange Act of 1934, Rule 15c2-12, regarding continuing disclosure by issuers of municipal securities for the benefit of holders of such securities. The amendments require, among other things, that certain annual financial information be provided to various information repositories for bond issues sold on or after July 3, 1995. The annual financial information must include an update of the same historical financial statements, except forecasts, that were included in the final official statement issued at the time of the bond sale. The required annual financial information for the District is available on the Electronic Municipal Market Access website, the Municipal Securities Rulemaking Board's central repository.

AWARDS AND ACKNOWLEDGMENTS

Annual Report – The Government Finance Officers Association (GFOA) of the United States and Canada awarded a “Certificate of Achievement for Excellence in Financial Reporting” to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. This is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government financial reports.

To receive this award, a governmental unit must publish an easily readable and efficiently organized financial report that conforms to program standards. Such reports must satisfy both accounting principles generally accepted in the United States (GAAP) as well as other applicable legal requirements. The District has received this award for the last 42 consecutive years.

We believe this report continues to conform to certificate requirements and plan to submit it to the GFOA after approval from the Board.

Budget – In addition, the District has also received the GFOA’s “Distinguished Budget Presentation Award” for its budget document for the previous 27 consecutive years. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as an operations guide, a financial plan, and a policy and communication document.

The Distinguished Budget Presentation Award is awarded on an annual basis. We believe the current budget continues to conform to program requirements and we have submitted it for award consideration.

District - The District received the Community Impact Award from Tech Impact, honoring the District's contributions through its mentorship program, lunch-and-learn series, and advisory council participation. The District also received the Larry C. Larson Safety Award from the California-Nevada Section of the American Water Works Association. This award was established in 1989 for water utilities with an outstanding and unequalled safety record. Recipients of this award must meet a stringent list of safety criteria. The District was also named number one in Nevada on the Forbes List for America's Best Employers by State 2020.

Public Services - The District's Public Services department earned two awards from the Public Relations Society of America Pinnacle Awards program. The District received a Pinnacle Award for the production of weekly employee video updates throughout the COVID-19 pandemic. The District was also awarded Best of Show in the intranet category for the Hydroweb and Pipeline redesign.

Fleet – Once again, the District’s Fleet division ranked 7th of the top 50 winners of the “Government Green Fleet Award”. This prestigious industry award is open to all federal, state and local government fleets in North America. Winning fleet operations are judged on a variety of criteria that includes fleet composition, fuels and emissions, policy and planning, fleet utilization, and executive and employee involvement. The Fleet was also ranked in the top 100 fleets in the Americas by 100 Best Fleets. This program recognizes and rewards peak-performing fleet operations in the Americas. According to 100 Best Fleets, there are over 38,000 public fleets in North America alone.

Other Acknowledgments – We express our appreciation to the District’s accounting staff for their dedication in the preparation of this report, the staff members of other departments for their assistance and the auditors (BDO USA, LLP) for their professional services. We also acknowledge the members of the Board of Directors for their continued support and sound governance.

Sincerely,

A handwritten signature in blue ink, appearing to read "John J. Entsminger", written over a horizontal line.

John J. Entsminger
General Manager

A handwritten signature in blue ink, appearing to read "E. Kevin Bethel", written over a horizontal line.

E. Kevin Bethel
Chief Financial Officer

LAS VEGAS VALLEY WATER DISTRICT
List of Principal Officials
As of October 14, 2021

Board of Directors



Marilyn Kirkpatrick
President



James Gibson
Vice President



Justin Jones
Director



William McCurdy II
Director



Ross Miller
Director



Michael Naft
Director



Tick Segerblom
Director

Executive Management



John J. Entsminger
General Manager



David L. Johnson
Deputy General Manager
Operations



Colby N. Pellegrino
Deputy General Manager
Resources



Doa J. Ross
Deputy General Manager
Engineering



E. Kevin Bethel
Chief Financial
Officer

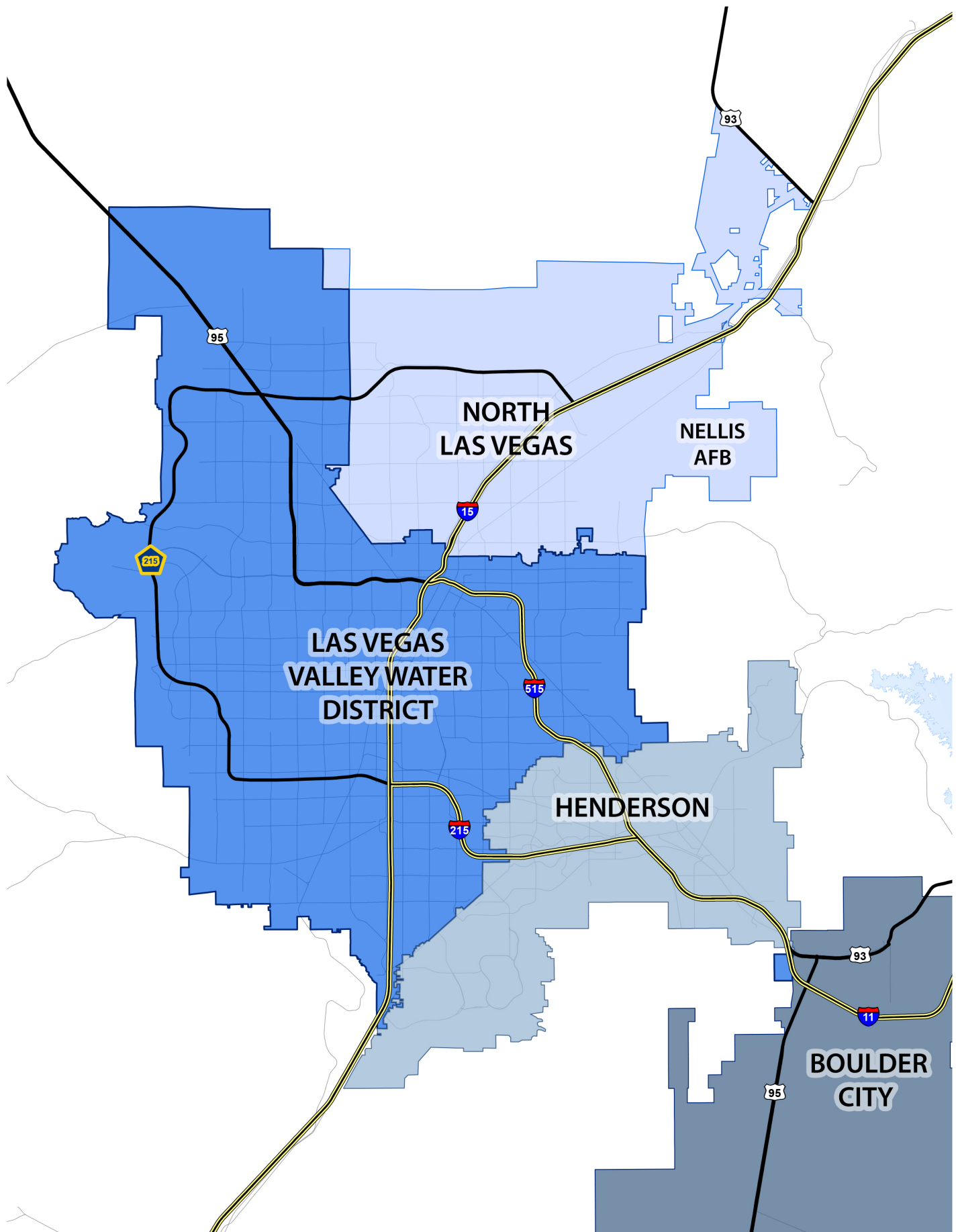


Gregory J. Walch
General Counsel

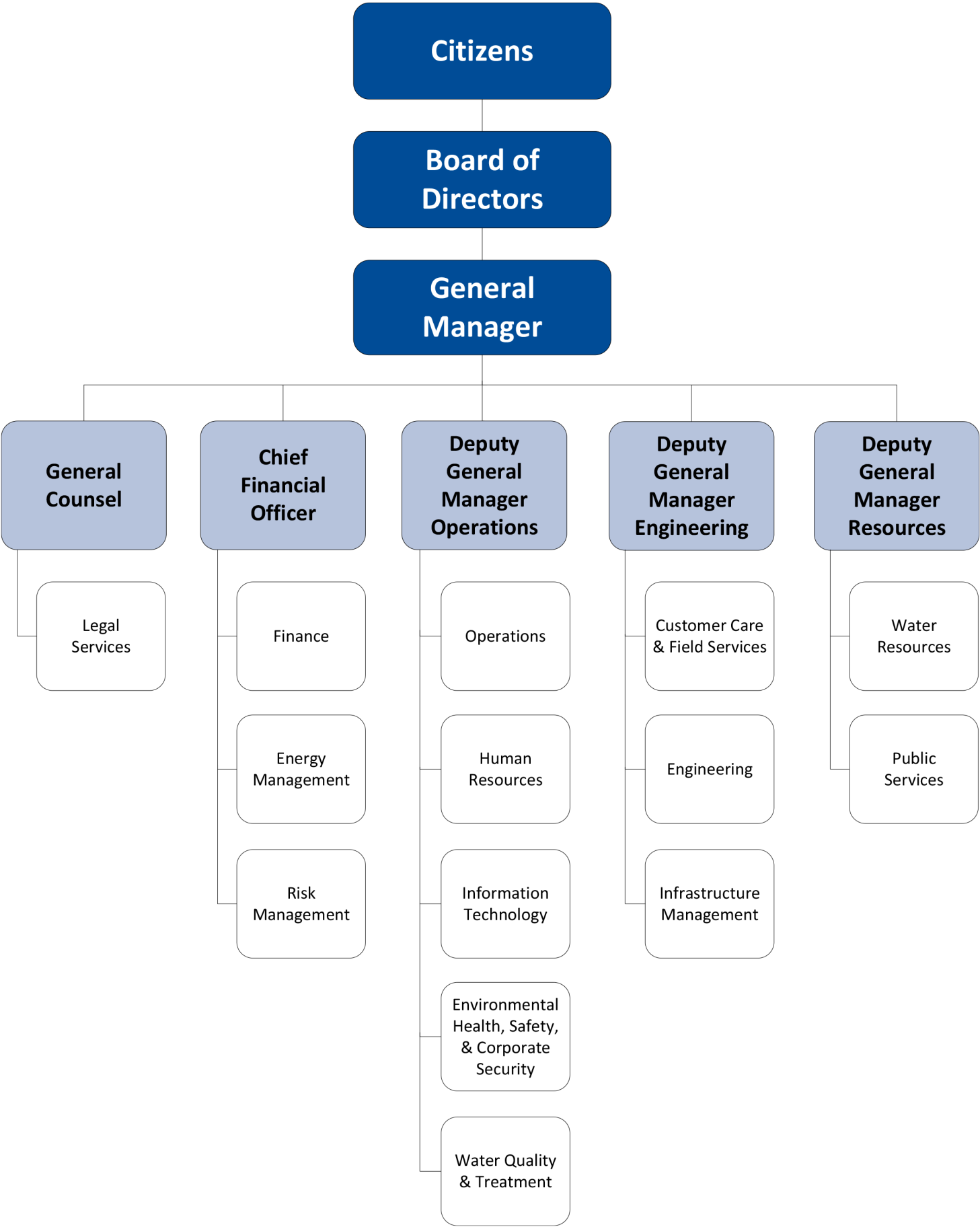
LAS VEGAS VALLEY WATER DISTRICT

Map of Service Area

As of June 30, 2021



LAS VEGAS VALLEY WATER DISTRICT
Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Las Vegas Valley Water District
Nevada**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Financial Section

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information



**LAS VEGAS VALLEY
WATER DISTRICT™**

Independent Auditors' Report

Board of Directors
Las Vegas Valley Water District
Las Vegas, Nevada

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities, and the fiduciary activities of the Las Vegas Valley Water District (the District), a discretely presented component unit of Clark County, Nevada, as of and for the years ended June 30, 2021 and 2020, 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 the fiduciary activities of the District, as of June 30, 2021 and 2020, and the statements of revenue, expenses, and changes in net position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Las Vegas Valley Water District and do not purport to, and do not, present fairly the financial position of Clark County, Nevada as of June 30, 2021, and the changes in its financial position for the year then ended in conformity 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 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 within one year after the date that the financial statements are issued or available to be issued.

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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability, schedule of defined benefit plan contributions, schedule of defined benefit plan investment returns, schedule of changes in net OPEB liability, schedule of defined benefit OPEB plan contributions, and schedule of defined benefit OPEB plan investment

returns on pages 18 through 26 and 79 through 85 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.

Other 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 introductory section, other supplementary information, and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information on pages 79 through 85 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. Such 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.

The introductory section, other supplementary information, and statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2021 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 District's internal control over financial reporting and compliance.

BDO USA, LLP

October 14, 2021

LAS VEGAS VALLEY WATER DISTRICT
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2021 and 2020

The following discussion and analysis of the Las Vegas Valley Water District's (District) financial performance serves as an introduction to the basic financial statements and provides a narrative overview and analysis of financial activities and performance as detailed in the Comprehensive Annual Financial Report (Annual Report) for the fiscal years ended June 30, 2021 and 2020. This discussion and analysis should be read in conjunction with the District's basic financial statements and accompanying notes and required supplementary information, which follow this section.

Financial Highlights for 2021

- Total assets of \$4,430.1 million decreased \$73.7 million or 1.64 percent primarily due to a reduction in related party receivables of \$210.7 million associated with the pay down of related party bond principal and a change in allocated pension and OPEB obligations due to favorable market performance of trust assets, an increase in cash and investments largely due to new money bond proceeds of \$100.0 million, an \$11.0 million increase in net capital assets primarily due to the increase in construction in progress activity in fiscal year 2021 compared to fiscal year 2020 as the impacts of COVID-19 improve, and a \$7.0m increase in customer accounts receivables from higher revenues and slower collections during the COVID-19 economic recovery.
- Deferred outflows of resources of \$71.4 million increased \$14.8 million or 26.15 percent primarily due to differences between expected and actual experience with regard to economic or demographic factors affecting the pension and OPEB plans. A portion of the increase was also due to changes in actuarial assumptions related to pension.
- Total liabilities of \$3,103.7 million decreased 241.5 million or 7.22 percent primarily due to payment of principal debt outstanding and a decrease in accrued pension and OPEB benefits, offset by a \$100.0 million in new bond issuance.
- Deferred inflows of resources of \$120.5 million increased \$78.0 million, or 183.53 percent primarily as a result of the differences between projected and actual earnings among the pension fund investments. A portion of the increase was also due to changes in actuarial assumptions related to OPEB.
- Operating revenues of \$397.9 million increased \$25.5 million or 6.85 percent as a result of higher water usage, increases in water rates, and population growth in the service area. The increase in metered water usage during fiscal year 2021 was attributable to warmer weather and lower consumption levels in 2020 due to the COVID-19 economic shutdown.
- Operating expenses of \$335.8 million decreased \$25.7 million or 7.11 percent. This current year decrease was primarily driven by lower pension and OPEB expense of \$17.1 million resulting from gains on pension and OPEB asset investments. In addition, the District incurred lower purchased water costs from SNWA of \$2.1 million due to increased groundwater production and other reductions in operating expenses in response to the COVID-19 pandemic.

Overview of financial statements

This discussion and analysis serves as an introduction to the District's basic financial statements, which are comprised of three components: 1) enterprise fund financial statements, 2) fiduciary pension and other employee benefits trust fund financial statements, and 3) notes to the basic financial statements. This Comprehensive Annual Financial Report also contains supplementary and statistical information in addition to the basic financial statements.

Fund financial statements. A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for specific activities or objectives. The District maintains two types of funds: a proprietary fund and fiduciary pension and other employee benefits trust funds.

LAS VEGAS VALLEY WATER DISTRICT
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2021 and 2020

Proprietary fund. The proprietary fund reports all of the District's operations, except pension and other postemployment benefit activity. The operations are reported similar to a private-sector business enterprise. There are three components presented in the basic financial statements: 1) comparative statements of net position, 2) comparative statements of revenues, expenses, and changes in net position, and 3) comparative statements of cash flows.

The comparative statements of net position present the District's assets and deferred outflows and liabilities and deferred inflows, with the difference reported as "net position." Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The comparative statements of revenues, expenses, and changes in net position outline how the District's net position has changed over time. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.

The statements of cash flows are the third basic financial statement for the proprietary fund. The primary purpose of the statements of cash flows is to provide relevant information about the District's cash receipts and cash payments; these are segregated among operating, capital and related financing, and investing activities.

Fiduciary fund financial statements. The fiduciary fund financial statements include two fiduciary funds related to the District's employee benefit plans; one for the pension and another for the postemployment benefits other than pension (OPEB). The fiduciary trust funds account for the assets, liabilities and changes in net position. The fiduciary funds are not reflected in the proprietary fund financial statements because fiduciary fund resources are not available to support District operations. The fiduciary trust funds are accounted for in essentially the same manner as the proprietary fund.

A more detailed description of the plans, including additional details regarding benefits, calculations of average monthly compensation, the vesting schedule for benefits, the valuation date, actuarial cost method, asset valuation method (including the use of smoothing techniques) and other significant assumptions for the fiscal year ended June 30, 2021 can be found in Note 18 - Postemployment Benefits Other Than Pensions (OPEB) and Note 19 - Defined Benefit Pension Plan, as well as in the Required Supplementary Information and Other Supplementary Information in the audited financial statements.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the basic financial statements. While the information included in this discussion and analysis is a summary, a review of the notes to the basic financial statements are necessary to achieve a full understanding of the District's financial position.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report includes required supplementary information describing the District's contributions to and funding progress of the fiduciary trust funds.

Other supplementary information. The statement of revenues, expenses, and changes in net position and the statement of cash flows are presented on a budget-to-actual comparison in compliance with Nevada Revised Statutes (NRS) 354. Combining schedules for the fiduciary funds are also included.

Statistical section. This statistical information provides financial trends, revenue capacity, debt capacity, demographic and economic condition, and operational trends to enhance the reader's understanding of the District's economic position in a broader context.

LAS VEGAS VALLEY WATER DISTRICT
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2021 and 2020

Financial analysis. Net position over time may serve as a useful indicator of the District's financial condition. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$1.3 billion in fiscal year 2021, \$1.2 billion in fiscal year 2020, and \$1.1 billion in fiscal year 2019. Net position increased 8.92 percent in fiscal year 2021 and increased 4.85 percent in fiscal year 2020. As noted earlier, the value remaining after the subtraction of the liabilities and deferred inflows from the assets and deferred outflows is net position that over time may serve as a useful indicator of financial condition.

The following table summarizes the Statements of Net Position as of June 30, 2021, 2020, and 2019:

Condensed Statements of Net Position (In Millions)

	2021	Change	2020	Change	2019
ASSETS					
Capital assets, net	\$ 1,689.8	\$ 11.0	\$ 1,678.8	\$ 21.2	1,657.6
Other assets	2,740.3	(84.7)	2,825.0	(120.4)	2,945.4
Total assets	4,430.1	(73.7)	4,503.8	(99.2)	4,603.0
DEFERRED OUTFLOWS OF RESOURCES	71.4	14.8	56.6	(3.2)	59.8
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,501.5	\$ (58.9)	\$ 4,560.4	\$ (102.4)	\$ 4,662.8
LIABILITIES					
Current liabilities	\$ 311.0	\$ (233.1)	\$ 544.1	\$ (141.7)	\$ 685.8
Noncurrent liabilities	2,792.6	(8.4)	2,801.0	(1.4)	2,802.4
Total liabilities	3,103.6	(241.5)	3,345.1	(143.1)	3,488.2
DEFERRED INFLOWS OF RESOURCES	120.5	78.0	42.5	(13.6)	56.1
NET POSITION					
Net investment in capital assets	862.0	(2.7)	864.7	53.6	811.1
Restricted for debt service	12.4	(0.5)	12.9	1.3	11.6
Restricted for capital projects	0.2	—	0.2	—	0.2
Unrestricted	402.8	107.8	295.0	(0.6)	295.6
Total net position	1,277.4	104.6	1,172.8	54.3	1,118.5
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 4,501.5	\$ (58.9)	\$ 4,560.4	\$ (102.4)	\$ 4,662.8

Total net position is comprised of net investments in capital assets, restricted and unrestricted resources. The largest portion of the District's net position is in capital assets. Capital assets are extended and improved as needed to provide continuous and reliable water service while meeting the demands of growth. The District's net investment in capital assets of \$862.0 million comprised 67.48 percent of total net position as of June 30, 2021, and is attributable to the construction, improvement, or acquisition of assets providing services to the District's customers.

LAS VEGAS VALLEY WATER DISTRICT
Management's Discussion and Analysis
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The District's net position restricted for bond debt service and capital projects was \$12.6 million for fiscal year ended June 30, 2021. Bond debt service funds are restricted by bond covenants while sales tax revenue is restricted by enabling legislation for use related to capital projects. The remaining balance of net position is unrestricted and may be used for asset addition and replacement, debt retirement and other obligations.

The District maintains positive balances in all three components of net position and remains in a healthy financial condition.

Capital Assets are extended and improved as needed to provide continuous and reliable water service while meeting the demands of growth. The District's net investment in capital assets was 67.48 percent of total net position as of June 30, 2021, and was 73.73 percent and 72.52 percent as of June 30, 2020 and June 30, 2019, respectively. Net capital assets increased \$11 million or 0.66 percent in fiscal year 2021 compared to fiscal year 2020. The increase was primarily due to asset additions, offset by increased accumulated depreciation and asset retirements. For more information, see Note 8.

Other Assets decreased \$84.7 million or 3.00 percent in fiscal year 2021 compared to fiscal year 2020. The decrease was primarily driven by a reduction in related party receivables associated with the pay down of bond principal and the change in allocated pension and OPEB obligations due to favorable market performance of trust assets, partially offset by an increase in cash and investments largely due to new money bond proceeds of \$100.0 million and an increase of \$7.0 million in customer accounts receivable due to an increase in billed revenues and slower collections during the COVID-19 economic recovery.

Deferred Outflows of Resources increased \$14.8 million or 26.15 percent in fiscal year 2021 compared to fiscal year 2020. The decrease was primarily the result of changes in the District's deferred outflows related to its pension plan due to differences between expected and actual experience. A portion of the increase was also due to changes in actuarial assumptions related to pension.

Current Liabilities decreased \$233.1 million or 42.84 percent in fiscal year 2021 compared to fiscal year 2020 due primarily to the refunding of \$250.0 million of the District's commercial paper program with long-term financing.

Noncurrent Liabilities decreased \$8.4 million or 0.31 percent in fiscal year 2021 compared to fiscal year 2020. This decrease was primarily driven by a decrease in the net pension and OPEB liability of \$134.6 million mainly as a result of gains in pension and OPEB asset investments, which was largely offset by the \$127.4 million increase in long-term debt associated with debt financing. For more information, see Note 11.

Deferred Inflows of Resources increased \$78.0 million or 183.53 percent in fiscal year 2021 compared to fiscal year 2020. The primary driver of the increase was the difference between projected and actual earnings among the pension and OPEB fund investments. A portion of the increase was also due to changes in actuarial assumptions related to OPEB.

LAS VEGAS VALLEY WATER DISTRICT
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2021 and 2020

Changes in the District's net position can be determined by a review of the following condensed Statements of Revenues, Expenses, and Changes in Net Position for the fiscal years ended June 30, 2021, 2020, and 2019:

Condensed Statements of Revenues, Expenses, and Changes in Net Position (In Millions)

	2021	Change	2020	Change	2019
OPERATING REVENUES					
Water sales	\$ 393.2	\$ 25.9	\$ 367.3	\$ (1.1)	\$ 368.4
Inspection and application fees	4.3	1.2	3.1	0.0	3.1
Springs Preserve	0.4	(1.6)	2.0	(1.0)	3.0
Other	—	—	—	(0.1)	0.1
Total operating revenues	397.9	25.5	372.4	(2.2)	374.6
OPERATING EXPENSES					
Purchased water	99.7	(2.1)	101.8	10.3	91.5
Purchased energy	8.5	0.1	8.4	(0.7)	9.1
Operations and maintenance	142.0	(23.8)	165.8	25.7	140.1
Depreciation	85.6	0.1	85.5	(0.2)	85.7
Total operating expenses	335.8	(25.7)	361.5	35.1	326.4
NONOPERATING REVENUES / (EXPENSES)					
Nonoperating revenues	3.4	(19.6)	23.0	1.4	21.6
Nonoperating expenses	(19.7)	0.8	(20.5)	9.3	(29.8)
Total nonoperating revenues / (expenses)	(16.3)	(18.8)	2.5	10.7	(8.2)
CAPITAL CONTRIBUTIONS	58.8	17.9	40.9	2.4	38.5
CHANGE IN NET POSITION	\$ 104.6	\$ 50.3	\$ 54.3	\$ (24.2)	\$ 78.5
NET POSITION					
Beginning balance	\$ 1,172.8		\$ 1,118.5		\$ 1,040.0
Change in net position	104.6		54.3		78.5
Ending	\$ 1,277.4		\$ 1,172.8		\$ 1,118.5

LAS VEGAS VALLEY WATER DISTRICT
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2021 and 2020

Fiscal Year 2021 Summary

Total operating revenues increased \$25.5 million to \$397.9 million in fiscal year 2021, or 6.85 percent. Water sales revenue increased \$25.9 million to \$393.2 million or 7.05 percent. In January 2017, the District's Board approved multiple year tier consumption rate and service charge increases of 3 percent effective initially in February 2017 and an additional 3 percent increase in January 2018. Effective January 2019, and annually thereafter, water rate increases are equal to the Consumer Price Index, but cannot exceed 4.5 percent or be less than 1.5 percent. The CPI increase implemented in January 2021 was 1.5 percent. Water consumption was 109.3 million gallons in fiscal year 2021 compared to 104.3 million gallons in fiscal year 2020, an increase of 5 million gallons or 4.79 percent. The increase in metered water usage during fiscal year 2021 was attributable to warmer weather and continued customer growth in 2021. The number of active accounts increased to 408,542 at June 30, 2021 from 402,911 at June 30, 2020, an increase of 5,631 active accounts or 1.4 percent. Since water rates are variable based upon usage and because of the emphasis placed upon conservation, it is possible for active accounts, usage and revenues to increase or decrease at different rates. Inspection and application fees increased \$1.2 million to \$4.3 million in fiscal year 2021 primarily due to the continued growth in development.

Operating expenses before depreciation of \$250.2 million in fiscal year 2021 decreased \$26 million, or 9.39 percent compared to fiscal year 2020. Purchased water expense decreased \$2.1 million to \$99.7 million or 2.06 percent due to higher groundwater production in 2021. Purchased energy expense increased \$0.1 million to \$8.5 million or 1.19 percent in fiscal year 2021. Operations and maintenance expense of \$142.0 million in fiscal year 2021 decreased \$23.8 million, or 14.35 percent compared to fiscal year 2020, primarily due to lower pension and OPEB expense resulting from gains in investments.

Depreciation expense increased \$0.1 million to \$85.6 million or 0.12 percent due to increased depreciation as a result of capital asset additions added during the year.

Nonoperating revenues decreased \$19.6 million to \$3.4 million or (85.22) percent, largely driven by significantly higher market returns on investments during the prior fiscal year.

Nonoperating expenses decreased \$0.8 million to \$19.7 million or 3.9 percent in fiscal year 2021 from fiscal year 2020 largely due to lower interest costs from refundings completed in fiscal year 2021.

Capital and other contributions increased \$17.9 million or 43.77 percent to \$58.8 million resulting from a \$15.5 million increase in facilities connection fees and a \$2.3 million increase in donated mains and other capital contributions in fiscal year 2021 related to the continued increase in development.

LAS VEGAS VALLEY WATER DISTRICT
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2021 and 2020

Fiscal Year 2020 Summary

Total operating revenues decreased \$2.2 million to \$372.4 million in fiscal year 2020, or 0.59 percent. Water sales revenue decreased \$1.1 million to \$367.3 million. In January 2017, the District's Board approved multiple year tier consumption rate and service charge increases of 3 percent effective initially in February 2017 and an additional 3 percent increase in January 2018. Effective January 2019, and annually thereafter, water rate increases are equal to the Consumer Price Index, but cannot exceed 4.5 percent or be less than 1.5 percent. The CPI increase implemented in January 2020 was 2.9 percent. Water consumption was 104.3 million gallons in fiscal year 2020 compared to 105.7 million gallons in fiscal year 2019, a decrease of 1.4 million gallons or 1.3 percent. The reduction in metered water usage during fiscal year 2020 was attributable to a significant reduction in consumption that began coincident with the mid-March 2020 economic shutdown as a result of COVID-19 and persisted through the end of the fiscal year. The number of active accounts increased to 402,911 at June 30, 2020 from 397,336 at June 30, 2019, an increase of 5,575 active accounts or 1.4 percent. Since water rates are variable based upon usage and because of the emphasis placed upon conservation, it is possible for active accounts, usage and revenues to increase or decrease at different rates. Inspection and application fees in fiscal year 2020 of \$3.1 million were flat to prior year.

Operating expenses before depreciation of \$276.0 million in fiscal year 2020 increased \$35.3 million, or 14.7 percent compared to fiscal year 2019. Purchased water expense increased \$10.3 million to \$101.8 million or 11.26 percent as a result of increases in price and purchased volumes. Purchased energy expense decreased \$0.7 million to \$8.4 million or 7.69 percent in fiscal year 2020 primarily as a result of reduced energy costs and reduction in pumping activities. Operations and maintenance expense of \$165.8 million in fiscal year 2020 is \$25.7 million higher, or 18.34 percent compared to fiscal year 2019. This increase is primarily a result of a favorable settlement in fiscal year 2019 of disputed claims resulting in a \$20.8 million credit to expense in that fiscal year, along with an increase in employee salary and benefit costs and accrual of enhanced leave balances as a result of COVID-19 pandemic operations.

Depreciation expense decreased \$0.2 million to \$85.5 million or 0.23 percent. This decrease is due to recorded adjustments in fiscal year 2019 to accumulated depreciation offset by increased depreciation as a result of additional plant in service.

Nonoperating revenues increased \$1.4 million to \$23 million or 6.48 percent, largely driven by market returns on investments during the year.

Nonoperating expenses decreased \$9.3 million to \$20.5 million or 31.21 percent in fiscal year 2020 from fiscal year 2019 largely due to a change in the amortization of bond premiums and discounts from the straight-line method to the effective interest method, offset by additional bond issuance costs in fiscal year 2020 compared to prior year.

Capital and other contributions increased \$2.4 million or 6.23 percent to \$40.9 million in fiscal year 2020. The increase is primarily driven by funds received related to two developer funded projects in the District's service territory in fiscal year 2020.

LAS VEGAS VALLEY WATER DISTRICT
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2021 and 2020

Capital Asset and Long-Term Debt Activity

Capital assets. The District's investment in capital assets on June 30, 2021 was \$1.7 billion (net of accumulated depreciation). Capital assets include land, collecting and impounding reservoirs, pumping stations and equipment, transmission and distribution mains, service pipes from the distribution mains to customer meters, and transportation and office equipment. Additional information on the types and values of the District's capital assets can be found in Note 1 and Note 8 to the basic financial statements of this report.

The District's ongoing capital improvements expenditures are funded with bond proceeds, state revolving fund loan proceeds, and with revenue funds. In fiscal year 2021, the District made capital expenditures, net of capital contributed for construction, of \$32.6 million. Total contract commitments were \$31.5 million at June 30, 2021.

Significant capital improvements expenditures during fiscal year 2021 included the following:

- Las Vegas Boulevard Pipeline Replacement. Total expenditures in fiscal year 2021 were \$13 million. The project was funded using bond funds. Contract commitments at June 30, 2021 were \$3.1 million.
- Backflow Retrofits Project. Total expenditures in fiscal year 2021 were \$5.4 million. The project was funded using bond funds. There were no contract commitments at June 30, 2021.
- Main Replacements - Dales Subdivision. Total expenditures in the fiscal year 2021 were \$7.8 million. The project was funded using bond funds. Contract commitments at June 30, 2021 were \$1.3 million.
- Pipeline Participation Project. Total expenditures in fiscal year 2021 were \$7.6 million. The project was funded using bond funds. There were no contract commitments at June 30, 2021.
- West Administration Building Renovation. Total expenditures in fiscal year 2021 were \$3.8 million. The project was funded using bond funds. Contract commitments at June 30, 2021 were \$1.3 million.

Long-term debt. At the end of fiscal year 2021, the District had total bond debt and State Revolving Fund loans outstanding of \$2.7 billion, \$1.9 billion of which is secured by pledged revenue of the SNWA. All but \$0.3 million of the debt is general obligation debt. The District issued a \$2.5 million Subordinate Lien Revenue Clean Renewable Energy Bond (CREB) in fiscal year 2008. This bond is secured by net revenues. As of June 30, 2021, Moody's rates the District's general obligation bonds Aa1 and as of July 8, 2020, Standard & Poor's rates them AA.

On July 8, 2020, S&P Global Ratings lowered the District's credit rating on its general obligation bonds from AA+ to AA, maintaining investment grade with a stable outlook. The lowered rating reflects S&P Global Ratings' view that the impacts of COVID-19 might create recessionary pressures that would result in a softening of the tax base and that one or more top taxpayers could be at risk for financial stress. They believe the property tax pledge no longer provides the same degree of support it did prior to the impacts of the COVID-19 pandemic. No rating was requested on the CREB.

For more information on long-term debt, see Note 11.

LAS VEGAS VALLEY WATER DISTRICT
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2021 and 2020

Economic factors and next year's budget

Management's financial outlook is optimistic. The economic environment of the District's service area has improved steadily over the past several years and even during fiscal year 2021 as discussed below. However, the COVID-19 pandemic has had a significant economic impact on Southern Nevada's economy. Management believes the District is in a healthy financial position. First, the District maintains a strong liquidity position with reserves in excess of the policy target. Second, management has experience at navigating turbulent economic times such as the economic downturn after 2008. Third, the community understands the importance of water security and support to make tough decisions when necessary. Management continues to monitor the local economy and the District's financial position and is actively taking steps to ensure the District's financial stability.

The Southern Nevada economy continued to experience growth during fiscal year 2021. The number of active customer accounts increased by 5,631 accounts to 408,542 active accounts as of June 30, 2021 from 402,911 active accounts as of June 30, 2020. New service applications increased 10.7 percent to 6,049 in calendar year 2020 compared to 5,464 in calendar year 2019. The District projects continued growth for fiscal year 2022.

To ensure water supplies remain available, the District, SNWA and its other member agencies have implemented a number of initiatives. These efforts include water conservation programs, securing additional water resources and banking unused resources. Water conservation efforts have been particularly effective. Over the last 10 years, the District's average monthly water use for residential single-services declined by 9 percent.

Over the last 22 years, the Colorado River Basin has experienced a prolonged drought, which has affected reservoir storage levels in Lake Powell and Lake Mead. As of September 20, 2021, reservoir storage in Lake Powell and Lake Mead was 30 percent and 35 percent of capacity, respectively. Lake Mead's surface elevation was down approximately 146 feet from its pre-drought conditions, a reduction of approximately 64 percent in water storage since 2000. In accordance with the 2007 Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead and the 2019 Drought Contingency Plan (DCP), the Secretary of Interior makes Colorado River water supply determinations each year based on the U.S. Bureau of Reclamation's (Bureau) August forecast of Lake Mead elevation at the beginning of the next year.

The Bureau's August 2021 forecast shows Lake Mead's elevation will be below an elevation of 1075 feet on January 1, 2022, resulting in the first ever shortage declaration in the Lower Colorado River Basin during 2022. Nevada and Arizona will incur shortage reductions and will be required to make DCP contributions to Lake Mead during 2022. In accordance with provisions of Minute 323 to the 1944 Mexico Water Treaty, Mexico will be required to reduce Colorado River deliveries during 2022. Nevada's Colorado River shortage reduction is 13,000 acre-feet (AF) during 2022, resulting in a Nevada Colorado River apportionment of 287,000 AF, and Nevada's DCP contribution to Lake Mead will be 8,000 AF. Should drought conditions persist, and reservoir levels continue to decline, the Lower Basin States (including Nevada) could face further reductions to their basic Colorado River apportionments and additional DCP contributions in future years. The 2020 SNWA Water Resource Plan demonstrates how SNWA intends to meet projected water demands and shortage and DCP obligations, over a 50-year planning horizon.

The fiscal year 2022 budget projects \$153.9 million in capital expenditures. Included in next year's budget is the design and construction of new reservoirs and pumping stations, a multi-site large backflow installations project, small backflow installations, and various main and pipeline replacements.

Requests for information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Las Vegas Valley Water District, 1001 South Valley View Blvd, Las Vegas, NV 89153.

The Annual Report can also be viewed at <https://www.lvwd.com/about/budget-financial-reports/index.html>.

LAS VEGAS VALLEY WATER DISTRICT

Enterprise Fund

Statements of Net Position

As of June 30, 2021 and 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Unrestricted		
Cash and cash equivalents	\$ 334,433	\$ 17,074,085
Investments	500,997,811	404,780,047
Interest receivable	1,098,664	1,124,387
Accounts receivable, net of allowance for doubtful accounts	82,284,007	75,389,361
Accounts receivable, related party	6,072,391	6,498,812
Inventories and prepaid expenses	11,994,610	10,682,469
Total unrestricted	602,781,916	515,549,161
Restricted		
Cash and cash equivalents	209,212	189,372
Investments	122,846,081	84,289,276
Due from related party	109,585,765	345,971,410
Total restricted	232,641,058	430,450,058
Total current assets	835,422,974	945,999,219
NONCURRENT ASSETS		
Capital assets, net of accumulated depreciation and amortization		
Construction in progress	100,140,617	86,238,497
Land and land rights	24,035,656	23,571,806
Property, plant, and equipment	3,151,730,784	3,072,958,454
Accumulated depreciation	(1,586,150,299)	(1,504,008,200)
Total capital assets, net of accumulated depreciation and amortization	1,689,756,758	1,678,760,557
Other noncurrent assets		
Due from related party, unrestricted	41,484,423	91,887,793
Due from related party, restricted	1,863,135,000	1,786,650,000
Other assets	329,125	491,857
Total other noncurrent assets	1,904,948,548	1,879,029,650
Total noncurrent assets	3,594,705,306	3,557,790,207
TOTAL ASSETS	4,430,128,280	4,503,789,426
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount related to bond refundings	—	839,379
Deferred amount related to pension	42,722,611	50,608,105
Deferred amount related to OPEB	492,258	350,431
Deferred amount, related party	28,217,287	4,762,691
Total deferred outflows of resources	71,432,156	56,560,606
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,501,560,436	\$ 4,560,350,032

(Continued)

The accompanying notes are an integral part of these basic financial statements.

LAS VEGAS VALLEY WATER DISTRICT

Enterprise Fund

Statements of Net Position

As of June 30, 2021 and 2020

	2021	2020
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and other accrued liabilities	\$ 67,513,206	\$ 65,086,581
Service installation deposits	890,228	849,981
Customer advances for construction	11,629,239	9,910,005
Payroll and related liabilities	50,527,282	51,967,936
Current portion of bonds payable	38,243,000	34,713,000
Current portion of bonds payable, related party	101,405,000	87,520,000
Commercial paper payable, related party	—	250,000,000
Accrued bond interest	5,854,189	6,496,492
Current portion of state revolving fund loans	2,541,291	2,489,813
Accrued state revolving fund loan interest	502,803	515,758
Accrued debt interest, related party	8,180,765	8,451,410
Construction contracts payable	1,411,657	937,467
Customer guarantee deposits	22,340,958	25,130,906
Total current liabilities	311,039,618	544,069,349
NONCURRENT LIABILITIES		
Net pension liability	100,723,526	230,149,161
Liability for postemployment benefits other than pension	6,561,379	11,754,158
Deferred compensation liability	295,130	200,702
Unearned revenue	2,259,517	1,418,567
Bonds payable, net of current portion	777,966,184	727,013,060
State revolving fund loans, net of current portion	41,704,576	43,879,615
Bonds payable, related party, net of current portion	1,863,135,000	1,786,650,000
Total noncurrent liabilities	2,792,645,312	2,801,065,263
TOTAL LIABILITIES	3,103,684,930	3,345,134,612
DEFERRED INFLOWS OF RESOURCES		
Deferred amount related to bond refundings	4,307,133	6,797,885
Deferred amount related to pension	101,515,363	5,722,028
Deferred amount related to postemployment benefits other than pension	14,673,620	12,888,665
Deferred amount, related party	—	17,050,128
Total deferred inflows of resources	120,496,116	42,458,706
NET POSITION		
Net investment in capital assets	861,957,126	864,706,563
Restricted for debt service	12,419,112	12,897,194
Restricted for capital projects	209,212	189,372
Unrestricted	402,793,940	294,963,585
Total net position	1,277,379,390	1,172,756,714
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 4,501,560,436	\$ 4,560,350,032

The accompanying notes are an integral part of these basic financial statements.

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Water sales	\$ 393,153,616	\$ 367,251,189
Inspection and application fees	4,311,045	3,091,750
Springs Preserve	387,554	1,965,658
Other	11,845	12,260
Total operating revenues	397,864,060	372,320,857
OPERATING EXPENSES		
Purchased water	99,660,851	101,774,269
Purchased energy	8,536,620	8,396,835
Operations and maintenance	141,959,741	165,901,555
Depreciation	85,575,785	85,511,260
Total operating expenses	335,732,997	361,583,919
OPERATING INCOME	62,131,063	10,736,938
NONOPERATING (EXPENSES) REVENUES		
Interest expense	(19,675,280)	(20,525,776)
Interest and investment income (loss), unrestricted	(621,173)	20,110,119
Interest and investment income, restricted	1,567,235	829,668
Other	2,445,211	2,134,696
Total nonoperating (expenses) revenues	(16,284,007)	2,548,707
INCOME BEFORE CAPITAL CONTRIBUTIONS	45,847,056	13,285,645
Capital contributions	58,775,620	40,927,158
CHANGE IN NET POSITION	104,622,676	54,212,803
NET POSITION, BEGINNING OF THE YEAR	1,172,756,714	1,118,543,911
NET POSITION, END OF YEAR	\$ 1,277,379,390	\$ 1,172,756,714

The accompanying notes are an integral part of these basic financial statements.

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 386,656,267	\$ 382,110,218
Other cash receipts	850,163	635,448
Cash payments to employees for services	(122,638,274)	(121,636,276)
Cash payments to suppliers for goods and services	(149,357,658)	(152,671,642)
Other cash payments	(1,397)	(2,861)
Net cash provided by operating activities	<u>115,509,101</u>	<u>108,434,887</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(77,765,268)	(98,209,333)
Capital contributed	45,199,579	26,483,121
Proceeds from sale of property and equipment	405,374	287,828
Proceeds from debt issuance	106,028,328	7,912,212
Principal paid on debt	(38,817,752)	(35,753,518)
Interest paid on debt (net of subsidy)	(35,410,311)	(31,807,242)
Construction deposits	1,759,481	(4,095,212)
Net cash provided by (used in) capital and related financing activities	<u>1,399,431</u>	<u>(135,182,144)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investment securities	(647,328,622)	(446,771,926)
Proceeds from sales and maturities of investment securities	505,695,274	468,848,481
Interest on investments	8,005,004	10,706,770
Net cash (used in) provided by investing activities	<u>(133,628,344)</u>	<u>32,783,325</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,719,812)	6,036,068
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	17,263,457	11,227,389
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 543,645</u>	<u>\$ 17,263,457</u>

The accompanying notes are an integral part of these basic financial statements.

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 62,131,063	\$ 10,736,938
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	85,575,785	85,511,260
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(6,578,351)	3,325,773
Decrease in accounts receivable, related party	426,421	6,895,711
Increase in inventories, prepaid expenses and other	(1,107,681)	(604,670)
Decrease in accounts payable for operations	(2,035,720)	(3,238,433)
Increase (decrease) in payroll and other accrued liabilities	(23,533,985)	5,218,878
Decrease in unearned revenue for operations	(30,912)	(30,912)
Other	662,481	620,342
Net cash provided by operating activities	<u><u>\$ 115,509,101</u></u>	<u><u>\$ 108,434,887</u></u>
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Capital asset contributions	\$ 13,576,041	\$ 14,444,037
Change in fair value of investments	(7,810,253)	10,845,857
Refunding bonds issued	38,815,630	135,139,082
Bonds refunded	(39,738,993)	(134,615,285)
Deferred gain on refunded bonds	1,144,297	150,285
Refunding bonds issued on behalf of related party	352,830,000	214,140,000
Bonds refunded on behalf of related party	(424,940,000)	(249,715,000)

The accompanying notes are an integral part of these basic financial statements.

LAS VEGAS VALLEY WATER DISTRICT
Pension and Other Employee Benefits Trust Funds
Statements of Fiduciary Net Position
As of June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 6,149,211	\$ 7,165,545
Insurance accounts at contract value	6,260,627	4,073,028
Investments at fair value:		
Domestic equity funds	356,665,117	284,674,134
Domestic bond funds	211,063,057	151,283,207
International equity fund	102,605,126	73,367,055
Global REIT	—	42,303,251
Real assets	69,176,088	—
Nevada Retirement Benefits Investment Trust	23,256,736	18,249,185
Total investments at fair value	<u>762,766,124</u>	<u>569,876,832</u>
Total investments	775,175,962	581,115,405
Accrued interest receivable	<u>77,919</u>	<u>73,406</u>
TOTAL ASSETS	775,253,881	581,188,811
LIABILITIES		
Accounts payable	172,930	152,592
NET POSITION		
Restricted for pensions	749,197,931	560,160,992
Restricted for OPEB	<u>25,883,020</u>	<u>20,875,227</u>
TOTAL NET POSITION	<u><u>\$ 775,080,951</u></u>	<u><u>\$ 581,036,219</u></u>

The accompanying notes are an integral part of these basic financial statements.

LAS VEGAS VALLEY WATER DISTRICT
Pension and Other Employee Benefits Trust Funds
Statements of Changes in Fiduciary Net Position
For the Fiscal Years Ended June 30, 2021 and 2020

	2021	2020
ADDITIONS		
Employer contributions	\$ 47,505,030	\$ 47,430,990
Employee contributions	1,020,477	601,900
Investment earnings:		
Interest	603,114	689,681
Net change in fair value of investments	173,137,010	23,550,403
Total investment earnings	173,740,124	24,240,084
Less investment expense	(380,677)	(340,068)
Net investment earnings	173,359,447	23,900,016
Total additions	221,884,954	71,932,906
DEDUCTIONS		
Administrative and general	384,043	360,572
Benefits	27,456,179	24,849,686
Total deductions	27,840,222	25,210,258
NET INCREASE IN NET POSITION	194,044,732	46,722,648
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS		
Beginning of year	581,036,219	534,313,571
End of year	<u><u>\$ 775,080,951</u></u>	<u><u>\$ 581,036,219</u></u>

The accompanying notes are an integral part of these basic financial statements.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Las Vegas Valley Water District (District) are prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as defined by the Governmental Accounting Standards Board (GASB), the independent and ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The significant accounting and reporting policies for the District are discussed below.

Reporting Entity

The District is a quasi-municipal corporation created 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. Because the Clark County Board of Commissioners serves as the District's Board of Directors (Board), and the exclusion of the District's financial statements would render the financial statements of Clark County incomplete, the District is included as a discretely (separately) presented component unit within the Clark County Comprehensive Annual Financial Report. For purposes of these financial statements, the District is the reporting entity.

Fund Accounting

The District's financial report presents the activities of the District on a fund basis. In governmental accounting, a fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein. The District uses two types of funds: a proprietary (enterprise) fund and a fiduciary (pension trust and other postemployment benefits trust) fund.

Proprietary (Enterprise) Fund

Except for pension and other postemployment benefit activity, the proprietary (enterprise) fund accounts for all of the District's operations, similar to a commercial enterprise, using the economic resources measurement focus and the accrual basis of accounting. Accordingly, revenues are recorded when earned and expenses are recorded when a liability is incurred. The District adheres to all applicable financial accounting and reporting standards of the GASB. The intent of the District is to establish water rates sufficient to provide for payment of general operations and maintenance expenses, as well as required debt service and capital expenditures.

Fiduciary Funds

The fiduciary fund financial statements include two fiduciary funds related to District employee benefit plans. The Las Vegas Valley Water District Pension Plan fund accounts for the assets, liabilities, and changes in net position of the District's defined benefit pension plan in accordance with GASB Statement No. 67, *Financial Reporting for Pension Plans*, Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The fiduciary pension trust fund is accounted for in essentially the same manner as the proprietary (enterprise) fund using the same measurement focus and basis of accounting.

Retiree benefits not accounted for in the fiduciary pension trust fund were purchased through annuity contracts funded in a contractual allocated Pension Account with an insurance company through December 31, 2013. Beginning January 1, 2014, retiree benefits are paid by the fiduciary pension trust fund account held by a large multi-national bank and are accounted for in the fiduciary pension trust fund. The assets and liabilities of the Pension Account are not recorded on the District's books.

The District contributes to a single-employer defined benefit "other postemployment benefit plan" (OPEB Plan). Benefit provisions are established and may be amended by the District's Board subject to collective bargaining agreements. During fiscal year 2019 the District established the Las Vegas Valley Water District, Nevada OPEB Trust Fund (OPEB Trust) to where OPEB Plan assets are held in a trust to provide a means to fund the post-retirement benefits provided by the District.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

Estimates

The preparation of financial statements in conformity with GAAP in the United States of America requires the use of estimates by management. Such estimates primarily relate to unsettled transactions and events as of the date of the basic financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

The District's cash and cash equivalents include currency on hand, demand deposits, and other highly liquid investments with an original maturity of three months or less from the date of acquisition. For more information on cash and cash equivalents, see Note 3.

Investments

The investment policy is designed to ensure compliance with Nevada Revised Statutes (NRS) 355, minimize the loss of principal, provide sufficient liquidity, and earn a market rate of return. The District's investments are held in its own name and are reported at fair value, with the exception of certain pension investments. Some of the security types that the District is authorized to invest in include obligations of the U.S. Treasury with maturity dates not more than 10 years from the date of purchase; obligations of U.S. agencies with maturity dates not more than 10 years from the date of purchase; commercial paper rated A-1, P-1, or better with maturities not exceeding 270 days and investments in commercial paper do not exceed 20 percent of the total portfolio; negotiable certificates of deposit rated "B" by Thomas Bank Watch or "A-1" for deposits by Standard & Poor's or "P-1" for deposits by Moody's or comparably rated by a nationally recognized rating agency; non-negotiable certificates of deposit insured by the United States; obligations of Nevada local governments; money market funds rated AAA; and the Nevada Local Government Investment Pool. The Nevada Local Government Investment Pool is an unrated external investment pool administered by the State Treasurer with oversight by the State of Nevada Board of Finance. The value of the District's investment in the pool is the same as its proportionate share of the pool's fair value. For more information on investments, see Note 4.

Pension assets (Note 19) are comprised of equity and bond funds, a real estate investment trust (real assets), insurance contracts, pooled accounts, and a money market account. The equity and bond funds, real assets and the money market account are stated at fair value, measured by underlying market value as reported by the managing institutions. Investments in the insurance contracts and pooled accounts are stated at contract value as determined by insurance companies according to the terms of the contracts. Excluded from pension assets are annuities purchased for retired employees or their beneficiaries from an insurance company with a financial strength rating of A++ by A.M. Best rating company.

OPEB Plan assets are held in trust and consist of a money market account and investments in the Nevada Retirement Benefits Investment Fund (RBIF). The Nevada Legislature established the RBIF with an effective date of July 1, 2007. The purpose of the RBIF is to invest contributions made by participating entities such as the District, as defined in Section 355.220 of the NRS, to enable such entities to support financing of other postemployment benefits at some time in the future. The value of the District's investment in the RBIF is the same as its proportionate share of the pool's fair value.

Inventories

Inventories of supplies are recorded at cost, whereas inventories held for resale are recorded at lower of cost or market based on periodic reviews. Reduction of inventory is recorded using the weighted average cost method. For more information on inventories, see Note 6.

Restricted Assets

Restricted assets include amounts due from the Southern Nevada Water Authority (SNWA) for the repayment of the District's notes and bonds whose proceeds were delivered to the SNWA (for more information, see Notes 10 and 11). Restricted assets also include certain resources set aside to repay bond debt in accordance with bond covenants. Further, the District has restricted investments for customer security deposits, sales tax and oversized mains. Oversized mains are constructed to meet estimated future demands on the District's distribution system. For more information on restricted assets, see Note 7. Unspent bond proceeds are also classified as restricted assets and are only used for capital expenditures.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

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

Capital Assets

Property, plant, and equipment is recorded at purchase or construction cost, except for certain facilities that were transferred to the District at approximate original cost less estimated accumulated depreciation. Developer donated facilities are recorded at engineering estimates of acquisition value at the time the assets are donated. Expenditures for improvements and betterments, including labor and indirect costs, are capitalized. The capitalization threshold is generally \$10,000 and an estimated useful life of at least three years following the date of acquisition. Meters, service laterals, and pipelines are exceptions and are capitalized regardless of unit cost. Depreciation is computed using the straight-line method over the following estimated useful lives:

Category	Estimated Useful Life in Years
Transportation/Work/Equipment	3 – 10
Office Furniture and Equipment	5 – 10
Purification Equipment	15 – 25
Pumping Stations and Wells	11 – 30
Meters/Services	20 – 30
Collecting and Impounding Structures	10 – 50
Organization Costs and Improvements	20 – 50
Telemetry/Valves and Miscellaneous	10 – 75
Transmission/Distribution/Mains	50 – 75

For detailed tables on capital assets, see Note 8.

Accumulated Unpaid Employee Benefits

Accumulated unpaid vacation and sick pay benefits are accrued based on the vested rights of the employees, using the accrual basis of accounting.

Operating Revenues and Expenses

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues include revenues derived from water sales, water related activities and the Springs Preserve. Operating expenses include all expenses applicable to the furnishing of these services. Nonoperating revenues and expenses include revenues and expenses not associated with the District's normal business of supplying water or with the Springs Preserve.

Included in operating revenues are regional connection fees, regional commodity charges and infrastructure charges. These regional revenues are offset in operating expenses by equivalent contributions to the SNWA, a related party.

To avoid a "grossing-up" effect on operating revenues and operating expenses in the Statements of Revenues, Expenses, and Changes in Net Position, revenue collected for the SNWA is offset against the related remittances to the SNWA. Any remaining balance is classified as an operating expense and adjusted in a following period. A provision of \$2.22 million in fiscal year 2021 and \$1.35 million fiscal year 2020 to increase the allowance for uncollectible accounts was recorded as an offset to operating revenue. Operating expenses (and work-in-progress accounts) include allocations for indirect costs. These indirect costs include payroll taxes and employee benefits, which are initially charged to administrative and general expense accounts, but reported only in the accounts to which they are allocated. Depreciation expense is reported separately from operating expenses, but it is a subcategory of operating expenses.

The District accrues for estimated unbilled revenues for water provided through the end of each year from the last reading of the meters, based on the billing cycle.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

Nonoperating Revenues and Expenses

Nonoperating revenues and expenses include interest and investment income and expense, and other peripheral activities. Although capital contributions, as well as extraordinary items, if any, are shown separately, they are subcategories of nonoperating revenues and expenses.

Capital Contributions

Capital contributions are contributions in cash to connect to the existing system and donations, or contributions in cash, services, or property from any person or governmental agency for the acquisition, relocation, improvement or construction of property, facilities, or equipment. Capital contributions also include shared sales tax revenue received from the State of Nevada. The sales tax proceeds received are statutorily restricted for construction purposes in a rural area. Sales tax proceeds received in fiscal year 2021 were \$63,784 and in fiscal year 2020 were \$68,438. No distinction is made between property acquired through capital contributions and property purchased from funds received through operating channels. Depreciation is recorded and the property is retired in the appropriate manner. For detail regarding capital contributions, see Note 15.

Net Position

Net position is displayed in three components:

- Net investment in capital assets. This component represents the District's net position 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.
- Restricted. This component reflects the carrying value of assets, less related liabilities, that are restricted by law or by other externally imposed restrictions, such as bond covenants. Assets that are restricted only because of District imposed limitations are not included in the calculation.
- Unrestricted. This component represents the remaining net position balance that is available to support District operations and capital asset acquisition/construction.

Legal Costs

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. For more information on legal costs, see Note 16.

Reclassifications

Certain reclassifications have been made to the fiscal year 2020 basic financial statements to conform to the fiscal year 2021 presentation.

New Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*, which is effective for fiscal years beginning after December 15, 2019. Earlier application is encouraged. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. The District is currently evaluating how the adoption of Statement No. 87 will affect the District's financial position, results of operations, or cash flows. The issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, changed the effective date from fiscal years beginning after December 31, 2019 to fiscal years beginning after June 15, 2021.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which is effective for fiscal years beginning after December 15, 2020. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3)

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

related note disclosures. It achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The District is currently evaluating how the adoption of Statement No. 91 will affect the District's financial position, results of operations, or cash flows. The issuance of GASB Statement No. 95 changed the effective date from fiscal years beginning after December 15, 2020 to fiscal years beginning after December 15, 2021.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, which is effective for reporting periods beginning after December 31, 2021, with some requirements effective for reporting periods beginning after June 15, 2020. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR). The Statement also provides an exception to the lease modifications guidance in Statement No. 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The District is currently evaluating how the adoption of Statement No. 93 will affect the District's financial position, results of operations, or cash flows. The issuance of GASB Statement No. 95 changed the effective date of paragraphs 13 and 14 in GASB 93 from fiscal years beginning after June 15, 2020 to fiscal years beginning after June 15, 2021.

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which is effective immediately. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. Certain pronouncement effective dates have been postponed by one year, and others by 18 months.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which is effective for fiscal years beginning after June 15, 2022. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet the definition. The District is currently evaluating how the adoption of Statement No. 96 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, 2021. 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.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

NOTE 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of currency on hand, demand deposit accounts and highly liquid investments containing both restricted and unrestricted cash. Cash balances as of June 30, 2021 and 2020, were \$0.5 million and \$17.3 million, respectively. The District's bank balances as of June 30, 2021 and 2020, were \$6.1 million and \$18.1 million, respectively.

On July 22, 2003, the Nevada State Assembly approved an amendment to 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 market value of the aggregate total deposits of public entities in Nevada with a third-party custodian.

NOTE 4. ENTERPRISE FUND INVESTMENTS

The District has an excess benefit plan that provides supplemental retirement income benefits in excess of the benefit limits imposed by the maximum annual benefit limitation of Internal Revenue Code (IRC) Section 415 and the maximum compensation limit in IRC Section 401(a)(17). The excess benefit plan trust was established in May 2018 and had two participants eligible to participate as of June 30, 2021. The excess benefit plan's investments totaled \$369,654 as of June 30, 2021 and \$134,993 as of June 30, 2020 and are invested in an equity securities fund and a fixed income securities fund which are included as part of the District's total investments.

The District's investments were as follows:

Investment Type	Estimated Fair Value	
	June 30, 2021	June 30, 2020
U.S. agency non-callable bonds	\$ 263,140,262	\$ 315,390,809
U.S. treasury notes	125,453,375	51,630,458
Local Government Investment Pool	106,396,966	71,576,513
Corporate bonds	66,056,715	—
U.S. agency callable bonds	34,654,300	6,043,260
Commercial paper	11,999,520	43,499,290
Negotiable certificates of deposit	10,001,800	—
Supranational obligations	4,977,300	—
Equity securities fund	233,733	80,712
Fixed income securities fund	135,921	54,281
Total investments excluding bank non-negotiated CDs	\$ 623,049,892	\$ 488,275,323
Bank non-negotiated CDs	794,000	794,000
Total investments including bank non-negotiated CDs	<u>\$ 623,843,892</u>	<u>\$ 489,069,323</u>

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

The District's investments included Federal Deposit Insurance Corporation (FDIC) insured non-negotiable CDs. Because GASB Statement No. 40 considers non-negotiable CDs as bank deposits rather than investments, they are excluded from the remaining disclosures in this note.

Credit Risk

As of June 30, 2021, the District's investment ratings and estimated fair values were as follows:

Investment Type	S&P	Moody's	Fair Value
U.S. agency non-callable bonds	AA+	Aaa	\$ 197,344,567
Local Government Investment Pool	Unrated	Unrated	106,396,966
U.S. agency non-callable bonds	Unrated	Unrated	65,795,695
Commercial paper	A-1	P-1	11,999,520
U.S. agency callable bonds	AA+	Aaa	34,654,300
Negotiable certificates of deposit	A-1+	P-1	10,001,800
Supranational obligations	AAA	Aaa	4,977,300
Corporate bonds	AA+	Aaa	22,509,225
Corporate bonds	AA+	Aa1	13,244,690
Corporate bonds	A	A1	9,989,500
Corporate bonds	A	A2	9,980,000
Corporate bonds	AA	Aa2	5,362,350
Corporate bonds	A+	Aa2	4,970,950
Equity securities fund	Unrated	Unrated	233,733
Fixed income securities fund	Unrated	Unrated	135,921

As of June 30, 2020, the District's investment ratings and estimated fair values were as follows:

Investment Type	S&P	Moody's	Fair Value
U.S. agency non-callable bonds	AA+	Aaa	\$ 248,456,694
Local Government Investment Pool	Unrated	Unrated	71,576,513
U.S. agency non-callable bonds	Unrated	Unrated	66,934,115
Commercial paper	A-1	P-1	43,499,290
U.S. agency callable bonds	AA+	Aaa	6,043,260
Equity securities fund	Unrated	Unrated	80,712
Fixed income securities fund	Unrated	Unrated	54,281

Concentration of Credit Risk

As of June 30, 2021, the following investments individually comprise five percent or more of the District's total investment portfolio (excluding the pension fund):

Issuer	Investment Type	Percentage of Investments
Federal Home Loan Bank	U.S. Agency Bonds	12%
Federal Farm Credit Bank	U.S. Agency Bonds	11
Federal Agricultural Mortgage Corporation	U.S. Agency Bonds	11
Federal National Mortgage Association	U.S. Agency Bonds	7

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

As of June 30, 2020, the following investments individually comprise five percent or more of the District's total investment portfolio (excluding the pension fund):

Issuer	Investment Type	Percentage of Investments
Federal Farm Credit Bank	U.S. Agency Bonds	22%
Federal Home Loan Bank	U.S. Agency Bonds	21
Federal Agricultural Mortgage Corporation	U.S. Agency Bonds	14
Federal National Mortgage Association	U.S. Agency Bonds	9

Interest Rate Risk

As of June 30, 2021, the District's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Days)
U.S. agency non-callable bonds	\$ 263,140,262	710
U.S. treasury notes	125,453,375	1,098
Local Government Investment Pool	106,396,966	142
Corporate bonds	66,056,715	1,305
U.S. agency callable bonds	34,654,300	1,531
Commercial paper	11,999,520	11
Negotiable certificates of deposit	10,001,800	316
Supranational obligations	4,977,300	1,475
Total fair value	<u>\$ 622,680,238</u>	
Portfolio weighted average maturity		786

Excess Benefit Plan Investment Type	Fair Value	Weighted Average Maturity in Years
Equity securities	\$ 233,733	N/A
Fixed income securities	135,921	9
Total fair value	<u>\$ 369,654</u>	

As of June 30, 2020, the District's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Days)
U.S. agency non-callable bonds	\$ 315,390,809	818
Local Government Investment Pool	71,576,513	130
U.S. treasury notes	51,630,458	613
Commercial paper	43,499,290	5
U.S. agency callable bonds	6,043,260	1,687
Total fair value	<u>\$ 488,140,330</u>	
Portfolio weighted average maturity		634

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

Excess Benefit Plan Investment Type	Fair Value	Weighted Average Maturity in Years
Equity securities	\$ 80,712	N/A
Fixed income securities	54,281	8
Total fair value	<u>\$ 134,993</u>	

The District's policy related to interest rate risk is:

- a. In order to ensure liquidity and to provide for the District's cash flow needs, five percent of the District's investment portfolio must mature within 90 days.
- b. The average weighted duration of the District's investment portfolio (not including excess benefit plan investments) will not exceed 2.5 years.

Fair Value Measurement

GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value, establishes a framework for measuring fair value and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

- Level 1. Inputs are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2. Inputs are other observable inputs.
- Level 3. Inputs are unobservable.

The fair value measurement level within the hierarchy is based on the lowest level of any input that is deemed significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

The District's Level 1 investments were valued based on quoted market prices provided by recognized broker dealers and its Level 2 investments were valued by recognized broker dealers based on a matrix pricing model that maximizes the use of observable inputs for similar securities.

At June 30, 2021, the District had the following fair value classifications by investment level:

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
U.S. agency non-callable bonds	\$ 263,140,262	\$ —	\$ 263,140,262	\$ —
U.S. treasury notes	125,453,375	125,453,375	—	—
Corporate bonds	66,056,715	—	66,056,715	—
U.S. agency callable bonds	34,654,300	—	34,654,300	—
Commercial paper	11,999,520	—	11,999,520	—
Negotiable certificates of deposit	10,001,800	—	10,001,800	—
Supranational obligations	4,977,300	—	4,977,300	—
Equity securities fund	233,733	233,733	—	—
Fixed income securities fund	135,921	135,921	—	—
Total investments	<u>\$ 516,652,926</u>	<u>\$ 125,823,029</u>	<u>\$ 390,829,897</u>	<u>\$ —</u>

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

At June 30, 2020, the District had the following fair value classifications by investment level:

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
U.S. agency non-callable bonds	\$ 315,390,809	\$ —	\$ 315,390,809	\$ —
U.S. treasury notes	51,630,458	51,630,458	—	—
U.S. agency callable bonds	6,043,260	—	6,043,260	—
Commercial paper	43,499,290	—	43,499,290	—
Equity securities fund	80,712	80,712	—	—
Fixed income securities fund	54,281	54,281	—	—
Total investments	<u>\$ 416,698,810</u>	<u>\$ 51,765,451</u>	<u>\$ 364,933,359</u>	<u>\$ —</u>

NOTE 5. RECEIVABLES

Accounts receivable includes water accounts receivable and other accounts receivable as shown below. The net accounts receivable balance at June 30, 2021, is expected to be collected within one year.

	2021	2020
Water accounts receivable:		
Outstanding billings	\$ 47,526,578	\$ 42,178,721
Unbilled water revenue	33,814,372	32,072,503
Allowance for doubtful collection	(2,615,618)	(1,839,916)
Water accounts receivable, net	<u>78,725,332</u>	<u>72,411,308</u>
Other accounts receivable:		
Other governments	89,661	64,047
Other	3,741,681	3,175,208
Allowance for doubtful collection	(272,667)	(261,202)
Other accounts receivable, net	<u>3,558,675</u>	<u>2,978,053</u>
Total accounts receivable, net	<u>\$ 82,284,007</u>	<u>\$ 75,389,361</u>

NOTE 6. INVENTORIES AND PREPAID EXPENSES

The following items are included in Inventories and Prepaid Expenses as of June 30, 2021 and 2020:

	2021	2020
Inventory	\$ 8,992,955	\$ 7,304,985
Prepaid service agreements	2,470,727	2,891,945
Other prepaid expenses	530,928	485,539
Total inventories and prepaid expenses	<u>\$ 11,994,610</u>	<u>\$ 10,682,469</u>

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

NOTE 7. RESTRICTED ITEMS

Restricted Cash

At June 30, 2021 and 2020, the balance of the restricted cash account were as follows:

	2021	2020
Sales tax account	\$ 209,212	\$ 189,372

Restricted Investments

At June 30, 2021 and 2020, the balances of the restricted investment accounts were as follows:

	2021	2020
Sinking fund debt service	\$ 12,419,112	\$ 12,897,194
Bond acquisition and construction	36,962,551	—
Customer guarantee deposits	22,340,958	25,130,906
Oversizing account	44,329,460	39,467,176
SNWA energy collateral	6,000,000	6,000,000
Workers comp - State of Nevada	794,000	794,000
Total Restricted Investments	<u>\$ 122,846,081</u>	<u>\$ 84,289,276</u>

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

NOTE 8. CAPITAL ASSETS

The following tables summarize changes in major categories of capital assets for the year ended June 30, 2021 and 2020.

Capital Asset Category	For the Fiscal Year Ended June 30, 2021			
	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021
Construction in progress	\$ 86,238,497	\$ 78,877,949	\$ (64,975,829)	\$ 100,140,617
Land and land rights	23,571,806	463,850	—	24,035,656
Property, plant, and equipment				
Organization costs and improvements	1,634,736	—	—	1,634,736
Collecting and impounding structures	930,617,124	26,271,538	—	956,888,662
Pumping stations and wells	326,665,408	3,977,110	(79,843)	330,562,675
Purification equipment	844,123	—	—	844,123
Transmission/distribution/mains	1,033,548,025	31,140,999	(176,485)	1,064,512,539
Telemetry/valves and miscellaneous	66,622,664	909,667	—	67,532,331
Meters/services	620,331,339	12,866,985	(1,212,929)	631,985,395
Office furniture and equipment	35,124,004	3,233,099	(240,639)	38,116,464
Transportation/work/equipment	57,571,031	4,026,314	(1,943,486)	59,653,859
Total property, plant, and equipment	3,072,958,454	82,425,712	(3,653,382)	3,151,730,784
Accumulated depreciation				
Organization costs and improvements	1,634,736	—	—	1,634,736
Collecting and impounding structures	566,469,506	32,493,799	—	598,963,305
Pumping stations and wells	220,946,322	11,026,625	(79,843)	231,893,104
Purification equipment	726,633	28,213	—	754,846
Transmission/distribution/mains	280,905,463	14,321,100	(72,202)	295,154,361
Telemetry/valves and miscellaneous	21,071,094	1,020,363	—	22,091,457
Meters/services	332,828,247	20,986,300	(1,101,909)	352,712,638
Office furniture and equipment	29,923,028	1,770,304	(236,246)	31,457,086
Transportation/work/equipment	49,503,171	3,929,081	(1,943,486)	51,488,766
Total accumulated depreciation	1,504,008,200	85,575,785	(3,433,686)	1,586,150,299
Total capital assets, net	\$ 1,678,760,557	\$ 76,191,726	\$ (65,195,525)	\$ 1,689,756,758

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

Capital Asset Category	For the Fiscal Year Ended June 30, 2020			
	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020
Construction in progress	\$ 70,685,762	\$ 86,666,879	\$ (71,114,144)	\$ 86,238,497
Land and land rights	23,571,806	—	—	23,571,806
Property, plant, and equipment				
Organization costs and improvements	1,634,736	—	—	1,634,736
Collecting and impounding structures	896,748,628	33,876,956	(8,460)	930,617,124
Pumping stations and wells	316,377,414	10,313,087	(25,093)	326,665,408
Purification equipment	844,123	—	—	844,123
Transmission/distribution/mains	1,004,123,359	29,495,572	(70,906)	1,033,548,025
Telemetry/valves and miscellaneous	66,087,902	534,762	—	66,622,664
Meters/services	609,116,213	11,804,498	(589,372)	620,331,339
Office furniture and equipment	34,198,170	1,180,527	(254,693)	35,124,004
Transportation/work/equipment	54,416,630	4,063,178	(908,777)	57,571,031
Total property, plant, and equipment	2,983,547,175	91,268,580	(1,857,301)	3,072,958,454
Accumulated depreciation				
Organization costs and improvements	1,606,255	28,481	—	1,634,736
Collecting and impounding structures	534,257,943	32,220,023	(8,460)	566,469,506
Pumping stations and wells	209,774,661	11,196,754	(25,093)	220,946,322
Purification equipment	698,315	28,318	—	726,633
Transmission/distribution/mains	267,230,383	13,703,723	(28,643)	280,905,463
Telemetry/valves and miscellaneous	20,062,778	1,008,316	—	21,071,094
Meters/services	312,599,767	20,749,091	(520,611)	332,828,247
Office furniture and equipment	27,980,323	2,114,408	(171,703)	29,923,028
Transportation/work/equipment	45,949,802	4,462,146	(908,777)	49,503,171
Total accumulated depreciation	1,420,160,227	85,511,260	(1,663,287)	1,504,008,200
Total capital assets, net	\$ 1,657,644,516	\$ 92,424,199	\$ (71,308,158)	\$ 1,678,760,557

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

NOTE 9. ACCOUNTS PAYABLE

Accounts payable includes all amounts payable by the District within one year not provided for in other accounts. At June 30, 2021 and 2020, Accounts Payable consists of the following:

	2021				
	SNWA	City of Las Vegas	Clark County	Other Vendors	Total Payables
Purchased water (SNWA)	\$ 10,332,119	\$ —	\$ —	\$ —	\$ 10,332,119
Other SNWA expenses	21,764,307	—	—	—	21,764,307
Recycled water distribution	—	13,884,710	—	—	13,884,710
Other expenses	75,037	—	(42)	14,406,887	14,481,882
Capital assets and contracts	—	—	—	7,050,188	7,050,188
Total	<u>\$ 32,171,463</u>	<u>\$ 13,884,710</u>	<u>\$ (42)</u>	<u>\$ 21,457,075</u>	<u>\$ 67,513,206</u>

	2020				
	SNWA	City of Las Vegas	Clark County	Other Vendors	Total Payables
Purchased water (SNWA)	\$ 9,764,274	\$ —	\$ —	\$ —	\$ 9,764,274
Other SNWA expenses	19,959,500	—	—	—	19,959,500
Recycled water distribution	—	12,837,775	—	—	12,837,775
Other expenses	70,788	11,754	(42)	14,947,075	15,029,575
Capital assets and contracts	—	—	—	7,495,457	7,495,457
Total	<u>\$ 29,794,562</u>	<u>\$ 12,849,529</u>	<u>\$ (42)</u>	<u>\$ 22,442,532</u>	<u>\$ 65,086,581</u>

NOTE 10. SHORT-TERM DEBT

On March 10, 2004, the District began a Tax-Exempt Commercial Paper (TECP) program for the SNWA, authorizing a maximum of \$400.0 million in general obligation (limited tax) commercial paper notes (notes) supported by the SNWA revenues. Proceeds from the sale of the notes were used to fund capital expenditures of the SNWA including the purchase of water resources and to purchase a 25 percent interest in the Silverhawk Generation Station. The TECP program was supported by two credit facilities. The 2004B \$150.0 million credit facility was provided by U.S. Bank National Association and was terminated on March 3, 2020 when the 2004B notes were refunded by the LVVWD 2020A refunding bonds. The 2004A \$250.0 million credit facility was provided by Sumitomo Mutsui Banking Corporation and was terminated on March 25, 2021 when the 2004A notes were refunded by the LVVWD 2021C refunding bonds.

LAS VEGAS VALLEY WATER DISTRICT
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The following chart summarizes key components of the LVVWD short-term debt activity for the fiscal years ended:

Type	June 30, 2021	June 30, 2020
Balance beginning of period	\$ 250,000,000	\$ 400,000,000
Additions	722,000,000	1,300,000,000
Retirements	(972,000,000)	(1,450,000,000)
Balance end of period	<u>\$ —</u>	<u>\$ 250,000,000</u>
End of period		
Accrued interest	\$ —	\$ 588,899
Average interest rate	— %	0.90 %
Number of tranches	—	6
Smallest	\$ —	\$ 22,000,000
Largest	\$ —	\$ 50,000,000
Shortest maturity, in days	—	90
Longest maturity, in days	—	155

NOTE 11. LONG-TERM DEBT

Authority to Issue Debt

The District's authority to issue debt is derived from the LAS VEGAS VALLEY WATER DISTRICT ACT, Chapter 167, Statutes of Nevada 1947 as amended and supplemented, and NRS Title 30 - PUBLIC BORROWINGS AND OBLIGATIONS, Chapter 348 'Registration of Public Securities' and Chapter 350 'Municipal Obligations'.

Debt Creation and Reporting

The District funds the majority of its capital expenditures with the proceeds of debt issuances. This is intended to align the beneficiaries of the long lived capital assets with those paying for them. The District generally issues debt to fund the next two or three years of estimated capital expenditures. This is intended to minimize the carrying costs of bond proceeds. The District may also fund capital expenditures on a pay-as-you-go basis with other available monies.

In compliance with NRS 350.013, the District submits a Debt Management Policy to the Nevada Department of Taxation annually. That required filing includes a discussion of the affordability of debt, debt capacity, and how debt will be repaid. The Debt Management Policy is also provided to Clark County and is available for review by various participants in the investor community and the general public. In addition, the Debt Management Policy is included in the District's annual Operating and Capital Budget document.

In addition, the District makes required continuing disclosures on the Municipal Securities Rulemaking Board's central repository, the Electronic Municipal Market Access (EMMA) website. Those disclosures include a variety of debt reporting.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
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Debt Covenants

The debt covenants are specific to each debt issuance and are identified in the *Official Statement* document of each bond issuance or loan agreement. As stated above, continuing disclosure requirements are available on the EMMA website. Management believes that the District has complied with all legal requirements, limitations, and restrictions imposed by debt covenants. After payment of the costs of operation, maintenance and general expenses of the District, excluding depreciation expense and including interest income on operating funds, the District is required to establish rates sufficient to provide annual "Revenues" equal to the average annual debt service, excluding bond debt secured by pledged revenue of the SNWA. The District is required to maintain a bond service account to ensure payment of interest and principal when due. A transfer is made each month for each outstanding bond issue.

Bonds Secured by SNWA Pledged Revenue

As of June 30, 2021, the District had \$1,964.5 million outstanding general obligation bonds additionally secured by pledged revenue of the SNWA. The bond proceeds were delivered to the SNWA to finance water projects and to refund existing debt. The receivable from the SNWA, as well as the liability for the bonds, is shown on the basic financial statements of the District.

Direct Borrowings and Direct Placements

The District had one direct placement outstanding at June 30, 2021 which was the 2008 Clean Renewable Energy Bonds (CREB). In addition, there were direct borrowings with three State Revolving Fund (SRF) loans. The District had unused lines of credit of \$0.1 million from the 2016 SRF loan. The District does not have 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.

In-Substance Defeasance of Debt

Occasionally debt is refunded, which is most often done for interest expense savings. Usually, the refunding debt is issued before the redemption date of the refunded debt. In those instances, proceeds from the refunding issuance are placed in an irrevocable trust to fund the remaining debt service on the refunded debt. When this occurs, neither the assets in the irrevocable trust nor the liabilities for those in-substance defeased debt are included in the District's financial statements. As of June 30, 2021, the District had no bond issues with prior year in-substance defeased debt outstanding. Furthermore, in accordance with GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, any accounting gain or loss resulting from these transactions has been deferred and is being amortized over the life of the related debt.

Arbitrage Rebate Requirement

When investment earnings on bond proceeds exceed the cost of those bonds, there is an arbitrage gain. Federal law requires that arbitrage gains on tax-exempt bonds be rebated back to the United States Treasury. At June 30, 2021, the District had no material arbitrage liability.

Build America Bonds

The LVVWD 2010A bonds were issued as Build America Bonds (BABs) as defined under the American Recovery and Reinvestment Act of 2009. Pursuant to that act, the United States Treasury Department refunds 35 percent of interest expense to the District. As a result of the federal budget cuts known as "sequestration", the federal subsidy payments for these bonds were reduced by 5.7 percent for the fiscal year 2021.

Current Year Debt Issuances

On July 16, 2020, the District issued the LVVWD 2020C bonds in the original amount of \$100.0 million par value with a premium of \$6.9 million. Proceeds from the bonds are being used to fund capital projects of the District. The LVVWD 2020C issuance is comprised of serial bonds maturing annually on June 1 between

LAS VEGAS VALLEY WATER DISTRICT
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2021 and 2050. Interest will be paid semiannually on June 1 and December 1. The true interest cost is 2.14 percent.

On March 3, 2021, the District issued the LVVWD 2021A refunding bonds on behalf of the SNWA in the original amount of \$144.7 million. Proceeds from the bonds along with the \$32.8 million of premiums were deposited into escrow to partially refund a portion of the LVVWD 2011C series refunding bonds. The LVVWD 2021A refunding is comprised of serial bonds maturing annually on June 1 between 2022 and 2038. Interest will be paid semiannually on June 1 and December 1. The true interest cost is 0.69 percent. This refunding will generate savings of \$53.0 million, or \$50.1 million in terms of net present value.

On March 3, 2021, the District issued the LVVWD 2021B refunding bonds in the original amount of \$32.8 million. Proceeds from the bonds along with the \$6.0 million of premiums were deposited into escrow to partially refund a portion of the LVVWD 2011D series refunding bonds. The LVVWD 2021B refunding is comprised of serial bonds maturing annually on June 1 between 2022 and 2027. Interest will be paid semiannually on June 1 and December 1. The true interest cost is 0.25 percent. This refunding will generate savings of \$6.6 million, or \$6.6 million in terms of net present value.

On March 25, 2021, the District issued the LVVWD 2021C refunding bonds on behalf of the SNWA in the original amount of \$208.1 million. Proceeds from the bonds along with the \$42.8 million of premiums were deposited into escrow to partially refund all of the outstanding notes of the LVVWD's 2004A series Water Commercial Paper Notes. The LVVWD 2021C refunding is comprised of serial bonds maturing annually on June 1 between 2022 and 2034. Interest will be paid semiannually on June 1 and December 1. The true interest cost is 1.18 percent.

The following is a summary of each of the outstanding long-term debt issues as of June 30, 2021:

Debt Issue	Description	Issue Date	Final Payment	Interest Rate	Original Issue Amount
LVVWD 2008 CREB	Clean Renewable Energy, Subordinate Lien Revenue Bonds	7/15/2008	12/15/2022	1.30%	\$2,520,000
LVVWD 2010A BAB	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by Pledged Revenues), Water Bonds, Series 2010A (Taxable Direct Pay Build America Bonds)	6/15/2010	3/1/2040	5.60% - 5.70%	\$75,995,000
LVVWD 2012A	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by Pledged Revenues), Water Refunding Bonds, Series 2012A	9/5/2012	6/1/2032	5.00%	\$39,310,000
SNWA 2012B	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Bonds, Series 2012B	7/31/2012	6/1/2042	3.00% - 5.00%	\$360,000,000
LVVWD 2014 SRF	State of Nevada, Drinking Water State Revolving Fund Loan Contract, Las Vegas Valley Water District, Contract DW1403	12/1/2014	7/1/2034	2.57%	\$19,929,329
SNWA 2015	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Bonds, Series 2015	1/13/2015	6/1/2039	5.00%	\$332,405,000
LVVWD 2015A	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by Pledged Revenues), Water Refunding Bonds, Series 2015A	6/1/2015	6/1/2027	2.00% - 5.00%	\$172,430,000

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

Debt Issue	Description	Issue Date	Final Payment	Interest Rate	Original Issue Amount
SNWA 2015B	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Refunding Bonds, Series 2015B	6/1/2015	12/1/2027	4.00% - 5.00%	\$177,635,000
SNWA 2015C	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Refunding Bonds, Series 2015C	6/18/2015	9/15/2029	3.00% - 5.00%	\$42,125,000
SNWA 2016A	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Improvement and Refunding Bonds, Series 2016A	4/6/2016	6/1/2046	3.00% - 5.00%	\$497,785,000
LVVWD 2016B	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by Pledged Revenues), Water Improvement and Refunding Bonds, Series 2016B	4/6/2016	6/1/2036	3.00% - 5.00%	\$108,220,000
LVVWD 2016C SRF	State of Nevada, Drinking Water State Revolving Fund Loan Contract, Las Vegas Valley Water District, Contract DW1702	9/15/2016	7/1/2036	1.78%	\$15,000,000
LVVWD 2017A	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by Pledged Revenues), Water Refunding Bonds, Series 2017A	3/14/2017	2/1/2038	4.00% - 5.00%	\$130,105,000
SNWA 2017B	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Refunding Bonds, Series 2017B	3/14/2017	6/1/2032	3.00% - 5.00%	\$22,115,000
LVVWD 2017 SRF	State of Nevada, Drinking Water State Revolving Fund Loan Contract, Las Vegas Valley Water District, Contract DW1709	5/3/2017	1/1/2037	2.41%	\$15,000,000
LVVWD 2018A	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by Pledged Revenues), Water Bonds, Series 2018A	6/26/2018	6/1/2048	3.00% - 5.00%	\$100,000,000
SNWA 2018B	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Refunding Bonds, Series 2018B	3/6/2018	6/1/2026	5.00%	\$79,085,000
SNWA 2019A	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Refunding Bonds, Series 2019A	3/13/2019	6/1/2039	5.00%	\$107,975,000
SNWA 2019B	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Refunding Bonds, Series 2019B	10/16/2019	6/1/2027	5.00%	\$90,280,000
SNWA 2020A	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Refunding Bonds, Series 2020A	3/3/2020	6/1/2034	3.00% - 5.00%	\$123,860,000
LVVWD 2020B	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by Pledged Revenues), Water Refunding Bonds, Series 2020B	3/3/2020	3/1/2038	2.00% - 5.00%	\$22,240,000

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

Debt Issue	Description	Issue Date	Final Payment	Interest Rate	Original Issue Amount
LVVWD 2020C	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by Pledged Revenues), Water Bonds, Series 2020C	7/16/2020	6/1/2050	2.00% - 5.00%	\$100,000,000
LVVWD 2020D	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by Pledged Revenues), Water Refunding Bonds, Series 2020D	4/1/2020	6/1/2036	2.00% - 5.00%	\$98,080,000
SNWA 2021A	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Refunding Bonds, Series 2021A	3/3/2021	6/1/2038	2.00% - 5.00%	\$144,685,000
LVVWD 2021B	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by Pledged Revenues), Water Refunding Bonds, Series 2021B	3/3/2021	6/1/2027	5.00%	\$32,795,000
SNWA 2021C	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Refunding Bonds, Series 2021C	3/25/2021	6/1/2034	2.00% - 5.00%	\$208,145,000

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

The following schedule presents long-term debt activity in the fiscal year ended June 30, 2021:

Debt Issue	Balance at June 30, 2020	Additions	Reductions	Balance at June 30, 2021	Due Within One Year	Due After One Year
LVVWD 2014 SRF	\$ 17,506,988	\$ —	\$ (1,010,457)	\$ 16,496,531	\$ 1,036,593	\$ 15,459,938
LVVWD 2016C SRF	14,237,765	376,191	(783,922)	13,830,034	782,223	13,047,811
LVVWD 2017 SRF	14,624,675	—	(705,373)	13,919,302	722,475	13,196,827
Total direct borrowings	46,369,428	376,191	(2,499,752)	44,245,867	2,541,291	41,704,576
LVVWD 2008 CREB	504,000	—	(168,000)	336,000	168,000	\$ 168,000
Total direct placements	504,000	—	(168,000)	336,000	168,000	168,000
LVVWD 2010A BAB	75,995,000	—	—	75,995,000	—	75,995,000
LVVWD 2011D	43,440,000	—	(43,440,000)	—	—	—
LVVWD 2012A	39,310,000	—	—	39,310,000	—	39,310,000
LVVWD 2015A	109,285,000	—	(14,450,000)	94,835,000	15,205,000	79,630,000
LVVWD 2016B	94,310,000	—	(4,030,000)	90,280,000	4,230,000	86,050,000
LVVWD 2017A	121,400,000	—	(4,360,000)	117,040,000	4,580,000	112,460,000
LVVWD 2018A	96,590,000	—	(1,895,000)	94,695,000	1,990,000	92,705,000
LVVWD 2020B	22,240,000	—	(815,000)	21,425,000	850,000	20,575,000
LVVWD 2020C	—	100,000,000	(1,605,000)	98,395,000	1,915,000	96,480,000
LVVWD 2020D	98,080,000	—	(3,665,000)	94,415,000	4,485,000	89,930,000
LVVWD 2021B	—	32,795,000	—	32,795,000	4,820,000	27,975,000
Total bonds payable	700,650,000	132,795,000	(74,260,000)	759,185,000	38,075,000	721,110,000
Unamortized premiums and discounts	60,572,060	12,970,473	(16,854,349)	56,688,184	—	56,688,184
Subtotal	808,095,488	146,141,664	(93,782,101)	860,455,051	40,784,291	819,670,760
SNWA 2011A	5,175,000	—	(5,175,000)	—	—	—
SNWA 2011B	10,900,000	—	(10,900,000)	—	—	—
SNWA 2011C	187,235,000	—	(187,235,000)	—	—	—
SNWA 2012B	316,465,000	—	(8,440,000)	308,025,000	8,690,000	299,335,000
SNWA 2015	332,405,000	—	—	332,405,000	—	332,405,000
SNWA 2015B	131,900,000	—	(12,840,000)	119,060,000	13,500,000	105,560,000
SNWA 2015C	30,960,000	—	(3,105,000)	27,855,000	3,260,000	24,595,000
SNWA 2016A	456,745,000	—	(15,070,000)	441,675,000	16,250,000	425,425,000
SNWA 2017B	20,510,000	—	(1,695,000)	18,815,000	1,775,000	17,040,000
SNWA 2018B	62,175,000	—	(9,110,000)	53,065,000	9,575,000	43,490,000
SNWA 2019A	105,560,000	—	(2,535,000)	103,025,000	2,660,000	100,365,000
SNWA 2019B	90,280,000	—	—	90,280,000	15,195,000	75,085,000
SNWA 2020A	123,860,000	—	(6,355,000)	117,505,000	6,670,000	110,835,000
SNWA 2021A	—	144,685,000	—	144,685,000	11,805,000	132,880,000
SNWA 2021C	—	208,145,000	—	208,145,000	12,025,000	196,120,000
Total bonds payable, related party	1,874,170,000	352,830,000	(262,460,000)	1,964,540,000	101,405,000	1,863,135,000
Total long-term debt	\$ 2,682,265,488	\$ 498,971,664	\$ (356,242,101)	\$ 2,824,995,051	\$ 142,189,291	\$ 2,682,805,760

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

The following schedule presents long-term debt activity in the fiscal year ended June 30, 2020:

Debt Issue	Balance at June 30, 2019	Additions	Reductions	Balance at June 30, 2020	Due Within One Year	Due After One Year
LVVWD 2014 SRF	\$ 18,491,968	\$ —	\$ (984,980)	\$ 17,506,988	\$ 1,010,457	\$ 16,496,531
LVVWD 2016C SRF	10,726,840	3,751,137	(240,212)	14,237,765	773,983	13,463,782
LVVWD 2017 SRF	11,074,795	3,925,206	(375,326)	14,624,675	705,373	13,919,302
Total direct borrowings	40,293,603	7,676,343	(1,600,518)	46,369,428	2,489,813	43,879,615
LVVWD 2008 CREB	672,000	—	(168,000)	504,000	168,000	336,000
LVVWD 2016D	113,650,000	—	(113,650,000)	—	—	—
Total direct placements	114,322,000	—	(113,818,000)	504,000	168,000	336,000
LVVWD 2010A BAB	75,995,000	—	—	75,995,000	—	75,995,000
LVVWD 2010B	26,145,000	—	(26,145,000)	—	—	—
LVVWD 2011D	48,520,000	—	(5,080,000)	43,440,000	5,330,000	38,110,000
LVVWD 2012A	39,310,000	—	—	39,310,000	—	39,310,000
LVVWD 2015A	123,025,000	—	(13,740,000)	109,285,000	14,450,000	94,835,000
LVVWD 2016B	98,185,000	—	(3,875,000)	94,310,000	4,030,000	90,280,000
LVVWD 2017A	125,555,000	—	(4,155,000)	121,400,000	4,360,000	117,040,000
LVVWD 2018A	98,395,000	—	(1,805,000)	96,590,000	1,895,000	94,695,000
LVVWD2020B	—	22,240,000	—	22,240,000	815,000	21,425,000
LVVWD2020D	—	98,080,000	—	98,080,000	3,665,000	94,415,000
Total bonds payable	635,130,000	120,320,000	(54,800,000)	700,650,000	34,545,000	666,105,000
Unamortized premiums and discounts	59,119,844	16,858,819	(15,406,603)	60,572,060	—	60,572,060
Subtotal	848,865,447	144,855,162	(185,625,121)	808,095,488	37,202,813	770,892,675
SNWA 2011A	40,050,000	—	(34,875,000)	5,175,000	5,175,000	—
SNWA 2011B	91,180,000	—	(80,280,000)	10,900,000	10,900,000	—
SNWA 2011C	198,945,000	—	(11,710,000)	187,235,000	12,295,000	174,940,000
SNWA 2012B	324,520,000	—	(8,055,000)	316,465,000	8,440,000	308,025,000
SNWA 2015	332,405,000	—	—	332,405,000	—	332,405,000
SNWA 2015B	144,115,000	—	(12,215,000)	131,900,000	12,840,000	119,060,000
SNWA 2015C	33,920,000	—	(2,960,000)	30,960,000	3,105,000	27,855,000
SNWA 2016A	469,215,000	—	(12,470,000)	456,745,000	15,070,000	441,675,000
SNWA 2017B	22,115,000	—	(1,605,000)	20,510,000	1,695,000	18,815,000
SNWA 2018B	70,840,000	—	(8,665,000)	62,175,000	9,110,000	53,065,000
SNWA 2019A	107,975,000	—	(2,415,000)	105,560,000	2,535,000	103,025,000
SNWA2019B	—	90,280,000	—	90,280,000	—	90,280,000
SNWA2020A	—	123,860,000	—	123,860,000	6,355,000	117,505,000
Total bonds payable, related party	1,835,280,000	214,140,000	(175,250,000)	1,874,170,000	87,520,000	1,786,650,000
Total long-term debt	\$ 2,684,145,447	\$ 358,995,162	\$ (360,875,121)	\$ 2,682,265,488	\$ 124,722,813	\$ 2,557,542,675

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

The LVVWD total debt service requirements to maturity are as follows:

Fiscal Years Ending June 30	Bonds ¹		Direct Borrowings and Direct Placements		Total
	Principal	Interest ²	Principal	Interest	
2022	\$ 139,480,000	\$ 127,796,366	\$ 2,709,291	\$ 994,456	\$ 270,980,113
2023	146,660,000	120,926,991	2,767,606	933,957	271,288,554
2024	153,920,000	113,710,666	2,659,288	873,183	271,163,137
2025	152,170,000	105,991,291	2,720,371	812,100	261,693,762
2026	159,890,000	98,215,416	2,782,889	749,583	261,637,888
2027 - 2031	582,240,000	391,070,563	14,904,856	2,757,501	990,972,920
2032 - 2036	633,065,000	255,292,909	14,494,760	986,806	903,839,475
2037 - 2041	529,160,000	116,612,383	1,542,806	23,263	647,338,452
2042 - 2046	198,170,000	29,974,888	—	—	228,144,888
2047 - 2051	28,970,000	1,732,588	—	—	30,702,588
Total debt service	\$ 2,723,725,000	\$ 1,361,324,061	\$ 44,581,867	\$ 8,130,849	\$ 4,137,761,777

¹Includes general obligation bonds that are additionally secured by pledged revenues and general obligation bonds that are additionally secured by SNWA pledged revenues (identified in the previous table as related party).

²Interest on the LVVWD 2010A BABs is shown gross, not reduced by anticipated federal subsidy.

NOTE 12. UNEARNED REVENUE

The following table provides information on the components of unearned revenue for the fiscal years ending June 30, 2021 and 2020 :

	2021	2020
Developer advance	\$ 417,312	\$ 448,224
Facility charges	193,482	174,250
Oversizing charges	36,710	34,210
Prepaid meters/AMRs	1,612,013	761,883
Total	\$ 2,259,517	\$ 1,418,567

In prior fiscal years, the District received \$1 million in payments from a developer to partially offset the District's future cost of maintaining and operating a small pump station constructed at the developer's expense to serve the developer's property. The developer also agreed to pay the District a monthly operating and maintenance assessment until January 1, 2036. The \$1 million was originally recorded as unearned revenue and is being amortized \$30,912 annually as an offset to operating expenses through January 1, 2036.

Based on estimated probable future refunds, the District classified facilities and oversizing charges as unearned revenue. The facilities charges balance totaled \$0.2 million at June 30, 2021 and June 30, 2020. The oversizing charges balance totaled \$36,710 at June 30, 2021 and \$34,210 at June 30, 2020.

Developers frequently pay the District in advance for water meters and automatic meter reading devices (AMRs) that they pick up at a later time from the District warehouse. Prepaid water meters and AMRs are classified as unearned revenue. The prepaid meters/AMRs balance totaled \$1.6 million at June 30, 2021 and \$0.8 million at June 30, 2020.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

NOTE 13. RELATED PARTIES

Southern Nevada Water Authority (SNWA)

The SNWA is a political subdivision of the State of Nevada created in 1991 by a cooperative agreement among the District, the Big Bend Water District, the City of Boulder City, the City of Henderson, the City of Las Vegas, the City of North Las Vegas, and the Clark County Water Reclamation District (member agencies). The SNWA was created 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 SNWA is governed by a seven-member board of directors, comprised of one director from each member agency. The District is the operating agent for the SNWA; the General Manager of the District is the General Manager of the SNWA, and the Chief Financial Officer for the District is the Chief Financial Officer of the SNWA. By GASB definition, the SNWA is a joint venture. The District is confident that the amounts related to debt secured by SNWA pledged revenue (Notes 10 and 11) are collectible.

The 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 the SNWA. The District and other members do not have an express claim to the resources of the SNWA except that upon termination of the joint venture any assets remaining after payment of all obligations shall be returned to the contributing member agencies.

In 1995, agreements were approved for the repayment of the cost of an additional expansion of the Southern Nevada Water System (SNWS). The agreements require contributions from purveyor members, including the District, benefiting from the expansion. In 1996, the District's Board approved the collection from District customers and remittance to the SNWA a regional connection charge, regional commodity charge and regional reliability surcharge to fund these contributions. In March 2012, a regional infrastructure charge based upon meter size was approved, which has been modified since that time to account for changing conditions.

The District records these revenues as operating revenues and the contributions as operating expenses. However, to avoid a "grossing-up" effect on operating revenues and operating expenses in the Statements of Revenues, Expenses, and Changes in Net Position, revenue collected for the SNWA is offset against the related remittances to the SNWA. Any remaining balance is classified as an operating expense and adjusted in a following period. The table below shows the SNWA regional charges collected for and remitted to the SNWA for fiscal years ended June 30:

	2021	2020
Regional connection charges, net of refunds	\$ 64,198,470	\$ 44,514,203
Regional commodity charges and regional reliability surcharges	54,316,041	51,970,194
Regional infrastructure charges	120,852,948	119,485,886
Total	<u>\$ 239,367,459</u>	<u>\$ 215,970,283</u>

Besides being a member of the SNWA, the District is its operating agent. Beginning in fiscal year 2009, the SNWA advanced funds to the District for expenditures to be made on its behalf. The District credits the SNWA interest on the monthly average advance balance at the District's current investment earnings rate. The SNWA owed the District \$3.5 million at June 30, 2021 and \$4.3 million at June 30, 2020 for expenditures made on its behalf in excess of the advanced funds, which the District recorded as a current receivable.

The District has allocated to and recorded \$38.2 million at June 30, 2021 and \$85.8 million at June 30, 2020 as a noncurrent receivable from the SNWA for net pension liability (Note 19) for District employees devoted to SNWA operations. The District has allocated to and recorded \$2.5 million at June 30, 2021 and \$4.4 million at June 30, 2020 as a noncurrent receivable from the SNWA for postemployment benefits other than pensions (Note 18) for District employees devoted to SNWA operations. The District is confident that the amounts are collectible.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

The SNWA's current year Annual Report is available at www.snwa.com. Also, requests for current and prior year Annual Reports can be directed to the following address:

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

Southern Nevada Water System (SNWS)

The District operates for the SNWA the SNWS, a regional system consisting of water treatment plants and pumping and distribution facilities that supply water to the water purveyors in Southern Nevada.

During fiscal year 2021, the District billed the SNWA \$147.6 million for expenditures made on behalf of the SNWA. During fiscal year 2020, the District billed the SNWA \$158.9 million for expenditures made on behalf of the SNWA. The SNWA, in turn, billed the District for water deliveries from the SNWS computed at a flat rate per acre-foot of water delivered (wholesale delivery charge). The District records the wholesale delivery charge as a component of purchased water expense which was \$99.7 million and \$101.8 million for the fiscal year ended June 30, 2021 and 2020, respectively.

Springs Preserve

In 1998, the District entered into a partnership with the Las Vegas Springs Preserve Foundation, a tax-exempt charitable organization founded to provide funding for the Springs Preserve. The Springs Preserve is a cultural and historic attraction located on District property. The 180-acre national historic site is widely known as the "birthplace" of Las Vegas. The presence of an abundant water supply at the site was the original catalyst for the growth, development, and the resulting economic prosperity of the Las Vegas Valley. The Springs Preserve opened in June 2007.

Besides investing its own funds toward the Springs Preserve, the District has expended funds that have been or will be reimbursed by the State and by others through grants and gifts. The unreimbursed amount at June 30, 2021 was \$0.3 million, and there was no unreimbursed amount at June 30, 2020.

Big Bend Water District

On September 2, 2008, the District became the operating agent for the Big Bend Water District (BBWD), located in Laughlin, Nevada, 95 miles south of Las Vegas. The BBWD is a general improvement district and a political subdivision of the State of Nevada. It is also a member agency of the SNWA. The BBWD is governed by a seven-member Board of Trustees whose members also serve as the Board of Clark County Commissioners.

The District has recorded \$2.5 million at June 30, 2021, as a current receivable from the BBWD related to \$2.3 million for expenditures made on its behalf, and \$0.2 million billed to the BBWD for their proportionate share of contributions to the OPEB Trust. The amount recorded as current receivable from the BBWD at June 30, 2020, was \$2.2 million related to \$2.0 million for expenditures made on its behalf, and \$0.2 million billed to the BBWD for their proportionate share of contributions to the OPEB Trust.

The District has allocated to and recorded \$0.7 million at June 30, 2021 and \$1.6 million at June 30, 2020 as a noncurrent receivable from the BBWD for net pension liability (Note 19) for District employees devoted to BBWD operations. The District has allocated to and recorded \$46,452 at June 30, 2021 and \$0.1 million at June 30, 2020 as a noncurrent receivable from the BBWD for postemployment benefits other than pensions (Note 18) for District employees devoted to BBWD operations. The District is confident that the amounts are collectible.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

NOTE 14. RISK MANAGEMENT

The District is exposed to a variety of risks that may result in losses. These risks include possible losses related to torts; theft of, damage, or destruction of assets; extra expense; errors and omissions; job-related illnesses or injuries to employees; product liability claims; and natural disasters. The District manages these risks through a multifaceted approach, which includes transfer, elimination, avoidance, reduction, and/or assumption of risk of loss.

The District purchases insurance from the commercial insurance market on real and personal property, including earthquake and flood, with common policy restrictions covering direct physical loss of, or damage to, buildings, fixtures, equipment, boilers, machinery, and supplies. 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, and deductibles of \$1 million and \$0.1 million respectively. 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 the first \$1 million for automobile and general liability exposure and purchases excess liability insurance in the amount of \$20 million. Employee fidelity insurance in the amount of \$3.0 million and other miscellaneous coverage are also purchased. For the fiscal year ended June 30, 2021, the District had no significant reductions in insurance coverage from the prior fiscal year.

In contracts, the District obtains indemnification and hold-harmless agreements. These agreements usually require that contractors name the District as an additional insured under the indemnitor's insurance coverage. The District provides builders risk insurance depending on the risk for construction projects with a blanket limit of \$500 million per occurrence, based on the value reported for the project, subject to a \$50,000 deductible per claim, except earthquake and flood, which has a deductible of \$0.5 million per claim.

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. As of June 30, 2021, the District has no significant retained risks and therefore has no accrued liability for retained risks. 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. A summary is provided in the table below.

During fiscal years 2021 and 2020, changes in the balance of claims for retained risks, reflected in accounts payable and other accrued liabilities, were as follows (rounded to the nearest thousand):

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and changes in estimates	Claim Payments	Balance at Fiscal Year End
2021	\$ 2,363,000	\$ 1,062,000	\$ (576,000)	\$ 2,849,000
2020	2,548,000	253,000	(438,000)	2,363,000

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
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NOTE 15. CAPITAL CONTRIBUTIONS

For the fiscal years ended June 30, 2021 and 2020, capital contributions, excluding unearned revenue, are as follows:

	2021	2020
Mains and services	\$ 16,663,844	\$ 15,832,154
Facilities connection charges, net of refunds	33,131,271	17,628,602
Oversizing charges, net of refunds	4,404,910	2,473,550
Springs Preserve	439,042	250,000
Frontage connection charges	1,069,198	690,444
Fees and other contributions	3,067,355	4,052,408
Total capital contributions	<u>\$ 58,775,620</u>	<u>\$ 40,927,158</u>

Probable future refunds have been estimated and recorded as a component of unearned revenue. For more information on unearned revenue, see Note 12.

NOTE 16. COMMITMENTS AND CONTINGENCIES

Construction Contracts

At June 30, 2021 and 2020, commitments for unperformed work on outstanding contracts totaled \$33.2 million and \$31.5 million, respectively.

Operating Lease

The District entered into a sublease agreement with the SNWA for office space and parking within Molasky Corporate Center for a term of no longer than 20 years, commencing September 1, 2007. In December 2007, the SNWA purchased part of the premises subleased to the District, and in December 2015 the SNWA purchased the remainder of the premises subject to the sublease. The sublease was converted to a direct lease from the SNWA to the District on the same material terms and conditions as the sublease. The lease agreement may be terminated by the SNWA if breached by the District. Unilateral termination by the District is not prohibited.

The lease agreement provides for the District to lease approximately 35,000 square feet of office space with an option to lease up to an additional 16,000 square feet. The District did occupy the approximate 35,000 square feet of office space for a total cost of \$1.6 million in fiscal years 2021 and 2020.

The lease agreement contains provisions for contingent rentals, which are amounts that are dependent upon some factor other than the passage of time. The District had no contingent rental expenditures in fiscal years 2021 and 2020. The District is responsible for paying \$11,000 monthly, for the amortized value of tenant improvements during the time that the improved space is occupied by the District. The District is required to pay \$130 per parking space per month to the SNWA, and should the SNWA assign designated (exclusive) parking spaces to the District, the District will pay to the SNWA an additional \$75 per space per month for each such parking space designated.

The District must comply with all applicable provisions of the lease. Further, the District shall not enter into any assignments or subleases of the premises without the written consent of the SNWA.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

Following is a schedule of estimated future minimum rental payments under the lease:

Fiscal Year	Amount
2022	\$ 1,564,869
2023	1,564,869
2024	1,564,869
2025	1,564,869
2026	1,564,869
Thereafter	1,825,681
Total	<u>\$ 9,650,026</u>

Forward Energy Contracts

The District and the SNWA actively manage a portfolio of energy resources. The agencies adhere to a strict set of energy risk management procedures established by a Risk Management Committee that serves to fulfill the Energy Risk Management Policy adopted by the District's Board.

To provide energy at a known and budgeted cost, the District has entered into forward energy contracts with the SNWA. Because Las Vegas is at a higher elevation than its principal major water supply, reliable electrical service is essential to the District's ability to deliver water. To better manage energy reliability and costs, the District manages a significant portion of its energy supply, rather than purchasing energy from the local regulated investor-owned utilities under tariff rates approved by the Nevada Public Utilities Commission.

The portfolio exists solely for the purpose of providing the District's projected energy requirements through December 2023, at a known and budgetable cost, while incorporating renewable energy where appropriate.

Under current accounting standards, these forward energy contracts, for which the District neither paid nor was paid anything at inception, are accounted for as "normal purchases and normal sales" contracts and not as investments. The primary risks associated with these forward energy contracts are counter-party credit and termination risks. Currently, there is no intent to terminate these contracts with offsetting contracts. As of June 30, 2021, the District had commitments totaling \$17.4 million related to its forward energy contracts. As of June 30, 2020, the District had commitments totaling \$18.6 million related to its forward energy contracts.

Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of management and the District's general counsel that the resolution of these matters will not have a material adverse effect on the future financial condition, results of operations or cash flows of the District.

NOTE 17. VOLUNTARY SEPARATION PLAN

In fiscal year 2020, the District offered a voluntary separation plan (VSP) for regular full-time employees who had 30 years of service, or had at least 10 years of service and were at least 60 years old, or had at least 5 years of service and were at least 65 years old and were eligible to retire with a full or reduced pension benefit. These employees were eligible to receive an additional six weeks of severance pay and 100 percent of accrued sick leave at retirement. Eligible employees wishing to participate were required to commit to do so no later than July 30, 2020, and commit to a retirement date before January 14, 2021. Employees were permitted to buy up to five additional years of service to be eligible for this program. The District reserved the right to approve exceptions to the criteria.

GASB Statement No. 47, *Accounting for Termination Benefits*, requires accrual of termination benefits when an employee accepts the offer for voluntary termination benefits and the amounts can be estimated.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

During fiscal year 2021, 60 employees accepted the VSP offer and were paid \$1.7 million in voluntary separation benefits of which \$1.0 million has been included in operating expenses. For fiscal year-end 2020, two employees accepted the VSP offer and were paid \$60,000 in voluntary separation benefits of which \$37,000 was included in operating expenses.

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

Plan Description

The District contributes to a single-employer defined benefit “other postemployment benefit plan” (OPEB plan). Benefit provisions are established and may be amended by the District’s Board subject to collective bargaining agreements. During fiscal year 2019 the District established the Las Vegas Valley Water District, Nevada OPEB Trust Fund (OPEB Trust) to provide a means to fund the post-retirement benefits provided by the District.

The financial information for the OPEB plan is reported in the District's fiduciary funds statements. The OPEB plan does not issue stand-alone financial statements. A summary of the OPEB plan's financial statements for the years ended June 30, 2021 and 2020 is presented in the following tables.

Las Vegas Valley Water District Nevada OPEB Plan
Net Position Restricted for Postemployment Benefits
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 2,626,284	\$ 2,626,042
Investments at fair value:		
Nevada Retirement Benefits Investment Trust	23,256,736	18,249,185
TOTAL ASSETS	25,883,020	20,875,227
LIABILITIES	—	—
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS	<u>\$ 25,883,020</u>	<u>\$ 20,875,227</u>

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

Las Vegas Valley Water District Nevada OPEB Plan
Changes in Net Position Restricted for Postemployment Benefits
For the Fiscal Years Ended June 30, 2021 and 2020

	2021	2020
ADDITIONS		
Employer contributions	\$ 2,388,632	\$ 2,430,990
Investment earnings:		
Interest	365,429	420,260
Net change in fair value of investments	4,649,337	446,806
Total investment earnings	5,014,766	867,066
Less investment expense	(5,973)	(3,526)
Net investment earnings	5,008,793	863,540
Total additions	7,397,425	3,294,530
DEDUCTIONS		
Benefit payments	2,388,632	2,430,990
Administrative and general	1,000	769
Total deductions	2,389,632	2,431,759
NET INCREASE IN NET POSITION	5,007,793	862,771
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS		
Beginning of year	20,875,227	20,012,456
End of year	<u>\$ 25,883,020</u>	<u>\$ 20,875,227</u>

Benefits Provided

Under the OPEB plan, employees who retire directly from the District are eligible for continued health benefits through Clark County, Nevada, the District's insurance provider. For retirees who retire with pension benefits unreduced for early retirement, the District pays the full premium for retirees and 85 percent of the premium for their dependents until the retirees are eligible for Medicare or reach age 65. When the retirees are eligible for Medicare, or at 65, the retirees may continue coverage but must pay 100 percent of the premium. Retirees who retire early with reduced pension benefits can stay enrolled but would pay the full premium that Clark County charges. However, since Clark County charges the District the same premiums for retirees who are not yet eligible for Medicare as for active employees, and since early retirees tend to have higher medical expenses than active employees, the retiree premium rates are being partially subsidized by the District through higher premiums paid on behalf of active members.

At fiscal year-end June 30, participants in the plan consist of the following:

Participant Count	2021	2020
Active employees	1,297	1,304
Inactive employees, currently receiving benefits	157	146
Total participants	<u>1,454</u>	<u>1,450</u>

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

Funding Policy

Subject to collective bargaining agreements, the contribution requirements of plan members and the District are established and may be amended by the District's Board. There are no legal or contractual maximum contribution rates. The required contribution is based on pay-as-you-go financing requirements.

Actuarially Determined Contribution

The actuarially determined contribution (ADC) is equal to the service cost (that portion of District provided benefit attributable to employee service in the current year) plus an amortization amount of the net OPEB liability. The amortization of the net OPEB liability is based upon a level dollar amortization period over 20 years. The ADC represents the contribution that the District would need to make each year to fully fund its net OPEB liability over the next 20 years. The ADC was \$2.3 million for the year ended June 30, 2021. The District's contribution is based upon pay-as-you-go financing. For the year ended June 30, 2021, the District's contribution was \$2.4 million which is equal to the estimated benefit payments. For the year ended June 30, 2020, the District's contribution was \$2.4 million which was equal to the estimated benefit payments. The District contributed \$0.1 million in excess of the ADC for the year ended June 30, 2021 and for the year ended June 30, 2020.

Net OPEB Liability

The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based upon the discount rate and actuarial assumptions listed below. The actuarial assumptions used in the June 30, 2021 valuation were not based on a formal experience study. The actuary reviews the experience and assumptions each year and makes recommendations when a change is needed. The total OPEB liability was then projected forward to the measurement date, taking into account any significant changes between the valuation date and the fiscal year end. The liabilities as of June 30, 2021 and as of June 30, 2020, are calculated using a discount rate equal to the expected investment return on assets held in the OPEB Trust.

The components of net OPEB liability are:

	As of June 30, 2021	As of June 30, 2020
Total OPEB liability	\$ 32,444,399	\$ 32,629,385
Fiduciary net position	25,883,020	20,875,227
Net OPEB liability	\$ 6,561,379	\$ 11,754,158
Fiduciary net position as a percent of total OPEB liability	79.80 %	64.00 %
Covered employee payroll	\$ 137,381,602	\$ 131,072,050
Net OPEB liability as a percent of covered employee payroll	4.78 %	8.97 %
Valuation date	July 1, 2020	July 1, 2018
Measurement date	June 30, 2021	June 30, 2020
GASB No. 75 reporting date	June 30, 2021	June 30, 2020
Discount rate	6.50 %	6.50 %

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

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

The following presents the net OPEB liability calculated using the discount rate of 6.5 percent as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.5 percent) and one percentage point higher (7.5 percent) than the current rate.

	As of June 30, 2021		
	1% Decrease In Discount Rate	Discount Rate	1% Increase In Discount Rate
Sensitivity Analysis	5.50 %	6.50 %	7.50 %
Net OPEB liability	<u>\$ 9,389,006</u>	<u>\$ 6,561,379</u>	<u>\$ 4,004,778</u>

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

The following presents what the net OPEB liability would be if it were calculated using a healthcare cost trend that is one percentage point lower and one percentage point higher than the current healthcare cost trend rates.

	As of June 30, 2021		
	1% Decrease in Healthcare Cost Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
Sensitivity Analysis			
Net OPEB liability	<u>\$ 3,110,877</u>	<u>\$ 6,561,379</u>	<u>\$ 10,618,936</u>

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

Actuarial Assumptions

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Amortization of unfunded liability (closed period) as a level dollar
Amortization period	20 years
Asset valuation method	Market Value
Inflation	2.75 percent per year
Healthcare cost trends rate	Initial rate of 1.25 percent trending up to an ultimate rate of 4.25 percent in 2073
Salary increases	3 percent
Discount rate	The discount rate used to measure the total OPEB liability was 6.5 percent. The projection of cash flows used to determine the discount rate assumed the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the District's fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on the District's plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.
Investment rate of return	The OPEB Trust assets are invested in the Nevada Retirement Benefits Investment Fund (RBIF). Based upon the RBIF investment policy, the investment return is assumed to be 6.5 percent, net of expenses.
Retirement age	Normal retirement age is attainment of age 65. Unreduced early retirement is available after either 1) 30 years of service or; 2) age 60 with 10 years of service. Reduced early retirement benefits are available after attainment of age 55 and completion of 5 years of service (3 years of service if a participant prior to January 1, 2001).
Mortality	Non-Disabled Participants - Headcount-weighted RP-2014 Employee/Healthy Annuitant mortality table projected to 2020 using Projection Scale MP-2016; Disabled Participants - Headcount-weighted RP-2014 Disabled mortality table projected to 2020 using Projection Scale MP-2016, set forward 4 years.

Changes in Net OPEB Liability

	Total OPEB Liability	Increase/ (Decrease) Plan Fiduciary Net Position	Net OPEB Liability
Balance as of June 30, 2020	\$ 32,629,385	\$ 20,875,227	\$ 11,754,158
Service cost	1,162,193	—	1,162,193
Interest on the total OPEB liability	2,054,215	—	2,054,215
Differences between actual and expected experience with regard to economic or demographic factors	564,226	—	564,226
Changes of assumptions	(1,576,988)	—	(1,576,988)
Benefit payments	(2,388,632)	(2,388,632)	—
Contributions from employer	—	2,388,632	(2,388,632)
Net investment income	—	5,008,793	(5,008,793)
Administrative expenses	—	(1,000)	1,000
Total changes	(184,986)	5,007,793	(5,192,779)
Balance as of June 30, 2021	\$ 32,444,399	\$ 25,883,020	\$ 6,561,379

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

Changes in Actuarial Assumptions

For the fiscal year ending June 30, 2021, the amounts reported as changes of assumptions resulted because the health costs trend was updated to reflect the latest economic factors. For the fiscal year ending June 30, 2020, the District did not incorporate any changes in actuarial assumptions from the prior years.

OPEB Benefit/Expense

Total employer OPEB benefit was \$(1.2) million for the fiscal year ended June 30, 2021 and OPEB benefit was \$(0.2) million for the fiscal year ended June 30, 2020.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

	As of June 30, 2021	
	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (3,022,323)	\$ 492,258
Changes of assumptions	(8,992,572)	—
Net difference between projected and Actual earnings	(2,658,725)	—
Total	<u>\$ (14,673,620)</u>	<u>\$ 492,258</u>

Amounts currently reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized as follows:

Fiscal Year Ending June 30,	Recognized Deferred Inflows/Outflows
2022	\$ (3,021,589)
2023	(3,021,569)
2024	(3,021,570)
2025	(3,109,177)
2026	(1,537,501)
Thereafter	(469,976)

Investment Rate of Return

Asset Class	Expected Nominal Return	Target Asset Allocation
U.S. Stocks	7.17%	50.50%
International Stocks	8.77%	21.50%
U.S. Bonds	4.86%	28.00%
Expected arithmetic mean annual return (30 years)		6.73%
Expected geometric mean annual return (30 years)		6.18%

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

OPEB Trust Investments

OPEB trust investments are required to be placed with the RBIF where the District invests its assets to fund its OPEB liabilities. A portion of the assets are reserved as cash to cover operating expenses.

At June 30, 2021, the OPEB Trust had the following investments (carrying value excludes accrued interest):

Investment Type	Carrying Value	Percent of Total
Cash and cash equivalents	\$ 2,626,284	10.1 %
Nevada Retirement Benefits Investment Fund	23,256,736	89.9
Total	<u>\$ 25,883,020</u>	

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on OPEB trust investments, net of pension plan investment expense, was 24.0 percent. For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of OPEB trust investment expense, was 4.4 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

NOTE 19. DEFINED BENEFIT PENSION PLAN

Plan Description

The District contributes to the Las Vegas Valley Water District Pension Plan (Plan), a single-employer defined benefit pension trust fund established by the District to provide pension benefits solely for the employees of the District. A Board of Trustees, comprised of the District's Board, has the authority to establish and amend the benefit provisions of the Plan and the contribution requirements of the District and its employees. Employee contributions are not required or permitted, except under certain conditions in which employees may purchase additional years of service for eligibility and increased benefits. During fiscal years 2021 and 2020, employee contributions for this purpose were \$1 million and \$0.6 million, respectively.

The Plan was amended effective February 15, 2005, to provide the following: (1) increase the annual service credit of 2.00 percent to 2.17 percent for years of service after July 1, 2001 (service credit is the accumulation of pension plan years an employee was in paid status at the District); (2) change the benefit formula to increase the calculation of highest average pay by 50.00 percent of the employer contribution rate charged by Nevada PERS to employers who pay the full contribution rate, as prescribed in the Nevada Revised Statutes; and (3) add shift differential and standby pay to the total compensation counted toward the pension benefit.

Other than cost of living adjustments, the Plan does not provide *ad hoc* post-retirement benefit increases nor does it administer postemployment healthcare plans. The financial information for the Plan is reported in the District's fiduciary funds statements. The Plan does not issue a stand-alone financial report. A summary of the Plan's financial statements for the years ended June 30, 2021 and 2020 is presented in the following tables.

Las Vegas Valley Water District Pension Plan
Net Position Restricted for Pension Benefits
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 3,522,927	\$ 4,539,503
Insurance accounts at contract value	6,260,627	4,073,028
Investments at fair value:		
Domestic equity funds	356,665,117	284,674,134
Domestic bond funds	211,063,057	151,283,207
International equity fund	102,605,126	73,367,055
Global REIT	—	42,303,251
Real assets	69,176,088	
Total investments at fair value	739,509,388	551,627,647
Total investments	749,292,942	560,240,178
Accrued interest receivable	77,919	73,406
TOTAL ASSETS	749,370,861	560,313,584
LIABILITIES		
Accounts payable	172,930	152,592
NET POSITION RESTRICTED FOR PENSION BENEFITS	\$ 749,197,931	\$ 560,160,992

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

Las Vegas Valley Water District Pension Plan
Changes in Net Position Restricted for Pension Benefits
For the Fiscal Years Ended June 30,

	2021	2020
ADDITIONS		
Employer contributions	\$ 45,116,398	\$ 45,000,000
Employee contributions	1,020,477	601,900
Investment earnings:		
Interest	237,685	269,421
Net change in fair value of investments	168,487,673	23,103,597
Total investment earnings	168,725,358	23,373,018
Less investment expense	(374,704)	(336,542)
Net investment earnings	168,350,654	23,036,476
Total additions	214,487,529	68,638,376
DEDUCTIONS		
Administrative and general	383,043	359,803
Benefits	25,067,547	22,418,696
Total deductions	25,450,590	22,778,499
NET INCREASE IN NET POSITION	189,036,939	45,859,877
NET POSITION RESTRICTED FOR PENSION BENEFITS		
Beginning of year	560,160,992	514,301,115
End of year	<u><u>\$ 749,197,931</u></u>	<u><u>\$ 560,160,992</u></u>

All District employees are eligible to participate in the Plan after attaining age 20 and completing six months of employment. Subject to a maximum pension benefit, normally 60 percent of average monthly compensation, District employees who retire at age 65 are entitled to an annual retirement benefit, payable monthly for life, of an amount equal to 2 percent of their average monthly compensation multiplied for the years of service prior to July 1, 2001, and 2.17 percent of their average monthly compensation multiplied for the years of service after July 1, 2001. For the purposes of calculating the pension benefit, average monthly compensation means the average of a member's 36 consecutive months of highest compensation, after excluding certain elements, increased by 50 percent of the employer contribution rate charged by Nevada PERS to employers who pay the full contribution rate that is in effect for the 36 consecutive months of highest compensation, while participating in the Plan.

For participants in the plan prior to January 1, 2001, benefits start to vest after three years of service with a 20 percent vested interest. The benefit increases to 40 percent after four years of service and 100 percent after five years of service. New participants after January 1, 2001 start to vest at 5 years of service, at which time they are vested 100 percent. The Plan also provides for early retirement and pre-retirement death benefits. The Plan is not subject to the Employee Retirement Income Security Act (ERISA) of 1974, but is operated consistent with ERISA fiduciary requirements.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

For eligible employees on or after January 1, 2001, benefits are increased after retirement by cost of living adjustments that become effective on the first month following the anniversary of benefit commencement according to the following schedule:

0.0%	following the 1 st , 2 nd and 3 rd anniversaries
2.0%	following the 4 th , 5 th and 6 th anniversaries
3.0%	following the 7 th , 8 th and 9 th anniversaries
3.5%	following the 10 th , 11 th and 12 th anniversaries
4.0%	following the 13 th and 14 th anniversaries
5.0%	following each anniversary thereafter

However, if the benefit amount at the time of an increase is at least or equal to the original benefit amount multiplied by cumulative inflation since retirement, as measured by the increase in the Consumer Price Index (All Items), then the increase cannot exceed the average rate of inflation for the three proceeding years.

The District contributes amounts actuarially determined necessary to fund the Plan to pay benefits when due, and to provide an allowance sufficient to finance the administrative costs of the Plan. Contributions cannot revert to or be revoked by the District or be used for any purpose other than the exclusive benefit of the participants.

At June 30, 2021 and 2020, participants in the plan consist of the following:

	2021	2020
Participant Count		
Retirees for whom annuities were purchased but are due future cost of living adjustments	293	298
Terminated employees not yet receiving benefits	353	356
Retirees paid monthly from plan	544	453
Active employees - fully vested	926	938
- nonvested	269	243
Total active employees	1,195	1,181
Total participants	2,385	2,288

Basis of Accounting

The financial statements of the Plan are prepared using the accrual basis of accounting. Employer contributions are recognized when due. Participants do not make contributions except voluntarily under certain conditions to purchase additional years of service. Participant contributions are non-refundable.

Allocated Insurance Contracts

Through December 31, 2013, benefit obligations were recognized and paid when due by purchasing annuity contracts from a life insurance company with a financial strength rating of A++ by A.M. Best rating company. Beginning January 1, 2014, benefit obligations are paid by the Plan through a large multi-national bank. Cost of living adjustments for benefit obligations that were initially paid by purchasing annuity contracts from a life insurance company continue to be paid by purchasing additional annuity contracts from a life insurance company. The costs to purchase annuity contracts from a life insurance company for cost of living adjustments were \$3.6 million and \$4 million for the years ended June 30, 2021 and June 30, 2020, respectively. The obligation for the payment of Plan benefits covered by these annuity contracts have been transferred to a life insurance company and are excluded from the Plan assets.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

Method Used to Value Investments

The domestic equity, international equity, domestic bond, real asset and money market accounts are stated at fair value, measured by the underlying market value as reported by the managing institutions. Investments at contract value are insurance contracts and pooled accounts, stated at contract value as determined by the insurance companies in accordance with the terms of the contracts.

Actuarially Determined Contribution

The District's policy is to pay the current year's actuarially determined contribution when due. This amount was determined to be \$40.3 million and \$38.9 million for the years ended June 30, 2021 and June 30, 2020, respectively. The actual amount contributed by the District for the year ended June 30, 2021 was \$45.1 million, or \$4.8 million in excess of the actuarially determined contribution. The actual employer contribution from the District in June 30, 2020 was \$45 million, or \$6.1 million in excess of the actuarially determined contribution.

Net Pension Liability

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based upon the discount rate and actuarial assumptions listed below. The total pension liability was then projected forward to the measurement date taking into account any significant changes between the valuation date and the fiscal year end. The liabilities are calculated using a discount rate that is a blend of the expected investment rate of return and a high quality bond index rate. The expected investment rate of return applies for as long as the Plan assets (including future contributions) are projected to be sufficient to make the projected benefit payments. If Plan assets are projected to be depleted at some point in the future, the rate of return of a high quality bond index is used for the period after the depletion date. The disclosures below exclude assets and liabilities held with a life insurance company, which provides benefits for retirees or their beneficiaries whose benefits were purchased with annuity contracts from the life insurance company.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

The components of net pension liability are:

	As of June 30, 2021	As of June 30, 2020
Total pension liability	\$ 849,921,457	\$ 790,310,153
Fiduciary net position	749,197,931	560,160,992
Net pension liability	\$ 100,723,526	\$ 230,149,161
Fiduciary net position as a percent of total pension liability	88.15 %	70.88 %
 Covered payroll	 \$ 137,381,602	 \$ 131,072,050
Net pension liability as a percent of covered payroll	73.32 %	175.59 %
 Valuation date	 June 30, 2020	 June 30, 2019
Measurement date	June 30, 2021	June 30, 2020
GASB No. 67 reporting date	June 30, 2021	June 30, 2020
 Depletion date	 None	 None
Discount rate	6.75 %	6.75 %
Expected rate of return, net of investment expenses	6.75 %	6.75 %
Municipal bond rate	N/A	N/A

If the assets and liabilities for retirees or their beneficiaries whose benefits were purchased with annuity contracts from a life insurance company were included with the Plan assets:

	As of June 30, 2021	As of June 30, 2020
Fiduciary Net Position as a Percent of Total Pension Liability	90.09%	75.94%

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

The following presents the net pension liability calculated using the discount rate of 6.75 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75 percent) and 1 percentage point higher (7.75 percent) than the current rate.

	As of June 30, 2021		
Sensitivity Analysis	1% Decrease In Discount Rate 5.75%	Discount Rate 6.75%	1% Increase In Discount Rate 7.75%
Total pension liability	\$ 979,388,822	\$ 849,921,457	\$ 742,798,095
Fiduciary net position	749,197,931	749,197,931	749,197,931
Net pension liability	\$ 230,190,891	\$ 100,723,526	\$ (6,399,836)

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

Actuarial Assumptions

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	20-year amortization of unfunded liability (closed period) as a level percent of pay, using layered bases starting July 1, 2016. In prior years, 30 year amortization of unfunded liability (closed period) as a level percent of pay, using layered bases starting July 1, 2009.
Remaining amortization period	Bases established between July 1, 2016 and July 1, 2020 have remaining amortization periods ranging from 15 to 19 years. Bases established between July 1, 2009 and July 1, 2015 have remaining amortization periods ranging from 18 to 24 years.
Inflation	2.75 percent per year
Salary increases	4.25 percent to 9.15 percent depending on service; Rates include inflation
Discount rate	The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the District's fiduciary net position was projected to be available to make all projected pension payments for current and inactive employees. Therefore, the long-term expected rate of return on the District's plan investments was applied to all periods of projected benefit payments to determine the total pension liability.
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation
Retirement age	Normal retirement age is attainment of age 65. Unreduced early retirement is available after either 1) 30 years of service, or 2) age 60 with 10 years of service. Reduced early retirement benefits are available after attainment of age 55 and completion of 5 years of service (3 years of service if a participant prior to January 1, 2001).
Mortality	Non-Disabled Participants - Headcount-weighted RP-2014 Employee/Healthy Annuitant mortality table projected to 2020 using Projection Scale MP-2016; Disabled Participants - Headcount-weighted RP-2014 Disabled mortality table projected to 2020 using Projection Scale MP-2016, set forward 4 years.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

Changes in Net Pension Liability

	Total Pension Liability	Increase/ Decrease Plan Fiduciary Net Position	Net Pension Liability
Balance as of June 30, 2020	\$ 790,310,153	\$ 560,160,992	\$ 230,149,161
Service cost	22,607,948	—	22,607,948
Interest on the total pension liability	54,039,757	—	54,039,757
Differences between actual and expected experience with regard to economic or demographic factors	7,010,669	—	7,010,669
Contributions from employer	—	45,116,398	(45,116,398)
Purchase of service payments	1,020,477	1,020,477	—
Net investment income	—	168,350,652	(168,350,652)
Benefit payments	(25,067,547)	(25,067,547)	—
Administration expense	—	(383,041)	383,041
Total changes	59,611,304	189,036,939	(129,425,635)
Balance as of June 30, 2021	\$ 849,921,457	\$ 749,197,931	\$ 100,723,526

Changes in Actuarial Assumptions

For the fiscal years ending June 30, 2021, and 2020 the District did not incorporate any changes in actuarial assumptions from the prior years.

Pension Expense

Total employer pension expense was \$19.4 million for the fiscal year ended June 30, 2021 and \$45.7 million for the fiscal year ended June 30, 2020.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At June 30, 2021, the District reported the following deferred inflows of resources and deferred outflows of resources related to pension:

	As of June 30, 2021	
	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (3,206,040)	\$ 17,900,809
Changes of assumptions	—	24,821,802
Net difference between projected and actual earnings	(98,309,323)	—
Total	\$ (101,515,363)	\$ 42,722,611

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

Amounts currently reported as deferred inflows of resources and deferred outflows of resources related to pension will be recognized as follows:

Fiscal Year Ending June 30,	Recognized Deferred Inflows/Outflows
2022	\$ (12,866,549)
2023	(11,445,191)
2024	(14,088,573)
2025	(22,010,265)
2026	1,502,897
Thereafter	114,929

Investment Rate of Return

Asset Class	Expected Nominal Return	Target Asset Allocation
Large cap U.S. equities	7.26%	38.00%
Small/mid cap U.S. equities	8.57%	16.00%
International equities	8.98%	15.00%
Core fixed income	3.48%	22.00%
High-yield bonds	6.18%	6.00%
Real assets	8.84%	3.00%
Expected average return (75 years)		6.88%
Expected geometric average return (75 years)		6.17%

The expected average geometric return over 75 years is less than the expected 1 year return due to expected deviations each year from the average which, due to the compounding effect, lower long-term returns.

Pension Investments

Management believes the District's pension investment policy conforms to the District's enabling act which requires the District to follow the "prudent person" rule, *i.e.*, invest with discretion, care and intelligence. The investment policy does not specify credit quality ratings or maturities except that investments must be those that are allowed by law and those that the investment managers are trained and competent to handle.

To diversify investment risk, the District's investment policy currently targets pension plan investments as follows:

Investment Type	Percent of Portfolio	
Equity securities	60%	+/- 10%
Fixed income securities	30	+/- 5
Real assets	10	+/- 3

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

At June 30, 2021, the pension trust fund had the following investments (includes contract investments at contract value; carrying value excludes accrued interest):

Investment Type	Carrying Value	Percent of Total
Cash and cash equivalents	\$ 3,522,927	0.5%
Equity securities	459,270,243	61.3
Fixed income securities	217,323,684	29.0
Real assets	69,176,088	9.2
Total	<u>\$ 749,292,942</u>	<u>100.0%</u>

Investment	Maturities		Carrying Value
Money market	Weighted average	48 days	\$ 3,522,927
U.S. equity securities ¹	N/A		356,665,117
International equity securities	N/A		102,605,126
U.S. fixed income securities	Weighted average	8.2 years	174,189,732
High-yield fixed income securities	Weighted average	4.1 years	36,873,325
Real assets	N/A		69,176,088
Insurance contracts	Open		6,260,627
Total			<u>\$ 749,292,942</u>

¹This investment category includes approximately 72.1 percent large cap and 27.9 percent small and mid-cap domestic equity investments.

At June 30, 2020, the pension trust fund had the following investments (includes contract investments at contract value; carrying value excludes accrued interest):

Investment Type	Carrying Value	Percent of Total
Cash and cash equivalents	\$ 4,539,503	0.8 %
Equity securities	358,041,189	63.9
Fixed income securities	155,356,235	27.7
Global REIT	42,303,251	7.6
Total	<u>\$ 560,240,178</u>	<u>100.0 %</u>

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

Investment	Maturities		Carrying Value
Money market	Weighted average	50 days	\$ 4,539,503
U.S. equity securities ¹	N/A		284,674,134
International equity securities	N/A		73,367,055
U.S. fixed income securities	Weighted average	7.8 years	119,149,084
High-yield fixed income securities	Weighted average	4.4 years	32,134,123
Global REIT	N/A		42,303,251
Insurance contracts	Open		4,073,028
Total			<u>\$ 560,240,178</u>

¹This investment category includes approximately 70.4 percent large cap and 29.6 percent small and mid-cap domestic equity investments.

Credit Exposure As a Percentage of Total Fixed-Income Investments

	2021	2020
Domestic bond fund	80.2%	76.7%
High-Yield bond fund	17.0	20.7
Insurance contracts	2.9	2.6

Credit Quality of Fixed Income Investments

The pension fund fixed-income investments are in insurance company contracts, a domestic bond fund and a high-yield bond fund. The insurance company contracts are not rated by credit rating agencies. The managing institution of the domestic bond fund reports an average quality rating of AA3 at June 30, 2021 and AA3 at June 30, 2020 for the underlying securities. The managing institution of the high-yield bond fund reports an average quality rating of B1 at June 30, 2021 and B1 at June 30, 2020 for the underlying securities.

Credit Quality of Money Market Funds

The Plan's money market account fund was not rated by either Standard & Poor's or Moody's at June 30, 2021 or June 30, 2020.

Concentration of Credit Risk – Excluding Money Market and Mutual Funds

The pension investment policy does not restrict the amount that may be invested with any one issuer as long as the prudent person rule is followed. Excluding the money market, equity, bond and real assets funds, no investment comprised more than five percent of the pension trust investments at June 30, 2021 and at June 30, 2020.

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 28.5 percent. For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.2 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

Fair Value Measurement

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan had the following recurring fair value measurements as of June 30, 2021 and 2020:

	June 30, 2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs
		(Level 1)	(Level 2)	(Level 3)
Money market	\$ 3,522,927	\$ 3,522,927	\$ —	\$ —
U.S. equities securities	356,665,117	356,665,117	—	—
International equities securities	102,605,126	102,605,126	—	—
U.S. fixed income securities	174,189,732	—	174,189,732	—
High-yield fixed income securities	36,873,325	—	36,873,325	—
Real assets	69,176,088	69,176,088	—	—
Insurance contracts	6,260,627	—	6,260,627	—
Total	\$ 749,292,942	\$ 531,969,258	\$ 217,323,684	\$ —

	June 30, 2020	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs
		(Level 1)	(Level 2)	(Level 3)
Money market	\$ 4,539,503	\$ 4,539,503	\$ —	\$ —
U.S. equities securities	284,674,134	284,674,134	—	—
International equities securities	73,367,055	73,367,055	—	—
U.S. fixed income securities	119,149,084	—	119,149,084	—
High-yield fixed income securities	32,134,123	—	32,134,123	—
Global REIT	42,303,251	42,303,251	—	—
Insurance contracts	4,073,028	—	4,073,028	—
Total	\$ 560,240,178	\$ 404,883,943	\$ 155,356,235	\$ —

NOTE 20. SUBSEQUENT EVENTS

On July 1, 2021 the District formed Las Vegas Valley Water District Captive Insurance (the Captive), a wholly owned subsidiary of the District, domiciled in the state of Nevada. The District is the sole member of this captive insurance company. The Captive is a registered limited liability company formed to advance long-term risk management program strategies through the use of a formalized self-insurance program that can access the reinsurance markets. The Captive provides retention for worker's compensation, general/auto liability, public officials liability, cyber liability, employment practices, and property.

**REQUIRED
SUPPLEMENTARY
INFORMATION**



**LAS VEGAS VALLEY
WATER DISTRICT™**

LAS VEGAS VALLEY WATER DISTRICT
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability
Last Ten Fiscal Years

Schedule B-1

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total pension liability - beginning of year	\$ 790,310,153	\$ 729,478,758	\$ 666,168,809	\$ 583,905,760	\$ 534,426,915	\$ 480,743,435	\$ 441,508,189	\$ 401,160,155	n/a	n/a
Service cost	22,607,948	21,724,468	21,054,983	20,249,802	17,724,599	16,970,046	17,189,921	18,670,779	n/a	n/a
Purchase of service payments	1,020,477	601,900	121,713	635,292	118,901	217,031	1,595,551	599,685	n/a	n/a
Interest on the total pension liability	54,039,757	49,961,942	45,709,736	42,648,094	39,958,275	36,511,919	32,672,891	30,115,838	n/a	n/a
Differences between actual and expected experience with regard to economic or demographic factors	7,010,669	10,961,781	5,641,488	(6,502,587)	(1,814,066)	11,610,487	(3,995,933)	—	n/a	n/a
Changes of assumptions	—	—	11,200,477	42,821,654	7,879,481	—	—	—	n/a	n/a
Benefit payments	(25,067,547)	(22,418,696)	(20,418,448)	(17,589,206)	(14,388,345)	(11,626,003)	(8,227,184)	(9,038,268)	n/a	n/a
Total changes	59,611,304	60,831,395	63,309,949	82,263,049	49,478,845	53,683,480	39,235,246	40,348,034	n/a	n/a
Total pension liability - end of year	\$ 849,921,457	\$ 790,310,153	\$ 729,478,758	\$ 666,168,809	\$ 583,905,760	\$ 534,426,915	\$ 480,743,435	\$ 441,508,189	n/a	n/a
Fiduciary net position - beginning of year	\$ 560,160,992	\$ 514,301,116	\$ 460,096,344	\$ 396,658,965	\$ 330,934,926	\$ 309,316,943	\$ 273,876,159	\$ 213,998,078	n/a	n/a
Contributions from employer	45,116,398	45,000,000	40,450,000	37,000,000	31,069,130	29,414,230	28,853,341	30,700,443	n/a	n/a
Purchase of service payments	1,020,477	601,900	121,713	635,292	118,901	217,031	1,595,551	599,685	n/a	n/a
Net investment income	168,350,652	23,036,477	34,430,758	43,789,984	49,268,410	3,983,572	13,589,116	37,893,540	n/a	n/a
Benefit payments	(25,067,547)	(22,418,696)	(20,418,448)	(17,589,206)	(14,388,345)	(11,626,003)	(8,227,184)	(9,038,268)	n/a	n/a
Administrative expenses	(383,041)	(359,805)	(379,251)	(398,691)	(344,057)	(370,847)	(370,040)	(277,319)	n/a	n/a
Total changes	189,036,939	45,859,876	54,204,772	63,437,379	65,724,039	21,617,983	35,440,784	59,878,081	n/a	n/a
Fiduciary net position - end of year	\$ 749,197,931	\$ 560,160,992	\$ 514,301,116	\$ 460,096,344	\$ 396,658,965	\$ 330,934,926	\$ 309,316,943	\$ 273,876,159	n/a	n/a
Net pension liability	\$ 100,723,526	\$ 230,149,161	\$ 215,177,642	\$ 206,072,465	\$ 187,246,795	\$ 203,491,989	\$ 171,426,492	\$ 167,632,030	n/a	n/a
Fiduciary net position as a % of total pension liability	88.15 %	70.88 %	70.50 %	69.07 %	67.93 %	61.92 %	64.34 %	62.03 %	n/a	n/a
Covered payroll	\$ 137,381,602	\$ 131,072,050	\$ 126,775,776	\$ 120,874,059	\$ 118,090,682	\$ 110,683,142	\$ 112,917,601	\$ 121,696,965	n/a	n/a
Net pension liability as a % of covered payroll	73.32 %	175.59 %	169.73 %	170.49 %	158.56 %	183.85 %	151.82 %	137.75 %	n/a	n/a

Notes to Schedule

In 2019, amounts reported as Changes of Assumptions resulted primarily from changes in assumed life expectancies as a result of adopting Headcount-Weighted RP-2014 Employee/Healthy Annuitant tables projected to 2020 using Scale MP-2016 and the Headcount-Weighted RP-2014 Disabled Retiree tables projected to 2020 using Scale MP-2016 and set forward four years. The prior year valuation used the RP-2000 Combined Healthy/Disabled Retiree mortality tables projected to 2015 using Scale AA. For fiscal year ending June 30, 2019, future salary increases were set to vary based on years of service where prior year assumed a flat rate increase of 4.75 percent per year. Assumed withdrawal rates for fiscal year ending June 30, 2019 are service-based compared to the prior year assumption being age-based and ranged from 9.7 percent per year at age 25 to 0 percent at age 55. In 2018, amounts reported as Changes of Assumptions resulted from adjustments to assumed life expectancies as a result of adopting the RP-2000 Combined Healthy/Disabled mortality table projected to 2015 using Projection Scale AA and from changing the amortization method to 20-year amortization of unfunded liability (closed period) as a level percent of pay, using layered bases starting July 1, 2016.

The required supplementary information is presented for fiscal years 2014 through 2021, for which information measured in conformity with the requirements of GASB No. 67 is available. This schedule will ultimately present information for the last 10 fiscal years.

LAS VEGAS VALLEY WATER DISTRICT
Required Supplementary Information (Unaudited)
Schedule of Defined Benefit Plan Contributions
Last Ten Fiscal Years

Schedule B-2

Plan Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2021	\$ 40,320,817	\$ 45,116,398	\$ (4,795,581)	\$ 137,381,602	32.84 %
2020	38,913,888	\$ 45,000,000	(6,086,112)	131,072,050	34.33
2019	37,363,235	40,450,000	(3,086,765)	126,775,776	31.91
2018	35,817,963	37,000,000	(1,182,037)	120,874,059	30.61
2017	31,069,130	31,069,130	—	118,090,682	26.31
2016	29,414,230	29,414,230	—	110,683,142	26.58
2015	28,853,341	28,853,341	—	112,917,601	25.55
2014	30,700,443	30,700,443	—	121,696,965	25.23
2013	29,058,894	29,058,894	—	119,067,304	24.41
2012	26,721,710	26,721,710	—	117,220,320	22.80

Notes to Schedule

Valuation Date: Actuarially determined contribution rates are calculated as of July 1 of the fiscal year in which contributions are reported.

LAS VEGAS VALLEY WATER DISTRICT
Required Supplementary Information (Unaudited)
Schedule of Defined Benefit Plan Contributions
Last Ten Fiscal Years

Schedule B-2

Methods and assumptions used to determine contribution rate as of the last actuarial valuation:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	20-year amortization of unfunded liability (closed period) as a level percent of pay, using layered bases starting July 1, 2016. In prior years, 30 year amortization of unfunded liability (closed period) as a level percent of pay, using layered bases starting July 1, 2009.
Remaining amortization period	Bases established between July 1, 2016 and July 1, 2020 have remaining amortization periods ranging from 15 to 19 years. Bases established between July 1, 2009 and July 1, 2015 have remaining amortization periods ranging from 18 to 24 years.
Inflation	2.75 percent per year
Salary increases	4.25 percent to 9.15 percent depending on service; Rates include inflation
Discount rate	The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the District's fiduciary net position was projected to be available to make all projected pension payments for current and inactive employees. Therefore, the long-term expected rate of return on the District's plan investments was applied to all periods of projected benefit payments to determine the total pension liability.
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation
Retirement age	Normal retirement age is attainment of age 65. Unreduced early retirement is available after either 1) 30 years of service, or 2) age 60 with 10 years of service. Reduced early retirement benefits are available after attainment of age 55 and completion of 5 years of service (3 years of service if a participant prior to January 1, 2001).
Mortality	Non-Disabled Participants - Headcount-weighted RP-2014 Employee/Healthy Annuitant mortality table projected to 2020 using Projection Scale MP-2016; Disabled Participants - Headcount-weighted RP-2014 Disabled mortality table projected to 2020 using Projection Scale MP-2016, set forward 4 years.
Asset valuation method	5 year phase-in of gains/losses relative to interest rate assumptions

LAS VEGAS VALLEY WATER DISTRICT
Required Supplementary Information (Unaudited)
Schedule of Defined Benefit Plan Investment Returns
Last Ten Fiscal Years

Schedule B-3

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actual money-weighted rate of return, net of investment expense	28.50 %	4.20 %	7.03 %	10.42 %	13.92 %	1.20 %	4.54 %	15.99 %	9.15%	n/a

GASB No. 67 requires the disclosure of the money-weighted rate of return on Plan investments. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportionate amount of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. The money-weighted rate of return is calculated net of investment expense.

The required supplementary information is presented for fiscal years 2013 through 2021, for which information measured in conformity with the requirements of GASB No. 67 is available. This schedule will ultimately present information for the last 10 fiscal years.

LAS VEGAS VALLEY WATER DISTRICT
Required Supplementary Information (Unaudited)
Schedule of Changes in Net OPEB Liability
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total OPEB liability - beginning of year	\$ 32,629,385	\$ 32,322,907	\$ 45,901,520	\$ 45,166,019	n/a	n/a	n/a	n/a	n/a	n/a
Service cost	1,162,193	1,153,443	2,641,800	2,570,819	n/a	n/a	n/a	n/a	n/a	n/a
Interest on the total OPEB liability	2,054,215	2,098,200	1,831,143	1,670,930	n/a	n/a	n/a	n/a	n/a	n/a
Differences between actual and expected experience with regard to economic or demographic factors	564,226	—	(4,997,697)	—	n/a	n/a	n/a	n/a	n/a	n/a
Changes of assumptions	(1,576,988)	(514,175)	(10,576,430)	(1,361,784)	n/a	n/a	n/a	n/a	n/a	n/a
Benefit payments	(2,388,632)	(2,430,990)	(2,477,429)	(2,144,464)	n/a	n/a	n/a	n/a	n/a	n/a
Total changes	(184,986)	306,478	(13,578,613)	735,501	n/a	n/a	n/a	n/a	n/a	n/a
Total OPEB liability - end of year	\$ 32,444,399	\$ 32,629,385	\$ 32,322,907	\$ 45,901,520	n/a	n/a	n/a	n/a	n/a	n/a
Fiduciary net position - beginning of year	\$ 20,875,227	\$ 20,012,456	\$ —	\$ —	n/a	n/a	n/a	n/a	n/a	n/a
Contributions from employer	2,388,632	2,430,990	22,477,429	2,144,464	n/a	n/a	n/a	n/a	n/a	n/a
Net investment income	5,008,793	865,202	12,456	—	n/a	n/a	n/a	n/a	n/a	n/a
Benefit payments	(2,388,632)	(2,430,990)	(2,477,429)	(2,144,464)	n/a	n/a	n/a	n/a	n/a	n/a
Administrative expenses	(1,000)	(2,431)	—	—	n/a	n/a	n/a	n/a	n/a	n/a
Total changes	\$ 5,007,793	\$ 862,771	\$ 20,012,456	\$ —	n/a	n/a	n/a	n/a	n/a	n/a
Fiduciary net position - end of year	25,883,020	20,875,227	20,012,456	—	n/a	n/a	n/a	n/a	n/a	n/a
Net OPEB liability	\$ 6,561,379	\$ 11,754,158	\$ 12,310,451	\$ 45,901,520	n/a	n/a	n/a	n/a	n/a	n/a
Fiduciary net position as a percent of total OPEB liability	79.78 %	63.98 %	61.91 %	— %	n/a	n/a	n/a	n/a	n/a	n/a
Covered employee payroll	\$ 137,381,602	\$ 131,072,050	\$ 126,775,776	\$ 120,874,059	n/a	n/a	n/a	n/a	n/a	n/a
Net OPEB liability as a percent of covered employee payroll	4.78 %	8.97 %	9.71 %	37.97 %	n/a	n/a	n/a	n/a	n/a	n/a

Notes to Schedule

Changes of assumptions For fiscal year 2021, health cost trend was updated to reflect the latest economic factors and excise tax and Health Insurers' Fees were removed from the health costs trend. As of June 30, 2019, the discount rate was increased from 3.87 percent to 6.5 percent as the District established the OPEB Trust to fund the post-retirement benefits provided by the employee benefit plan.

Benefit payments Benefit payments are estimated based upon census data and Plan provisions

Contributions from employer Employer contributions in 2019 reflect \$20 million initial funding of the OPEB Trust as well as estimated benefit payments

The required supplementary information is presented for fiscal years 2018 through 2021, for which information measured in conformity with the requirements of GASB No. 75 is available. The schedule will ultimately present information for the last 10 fiscal years.

LAS VEGAS VALLEY WATER DISTRICT
Required Supplementary Information (Unaudited)
Schedule of Defined Benefit OPEB Plan Contributions
Last Ten Fiscal Years

Schedule B-5

Plan Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contribution as a Percentage of Covered Employee Payroll
2021	\$ 2,265,397	\$ 2,388,632	(123,235)	\$ 137,381,602	1.74%
2020	2,270,696	2,430,990	(160,294)	131,072,050	1.85
2019	5,980,542	22,477,429	(16,496,887)	126,775,776	17.73
2018	5,863,834	2,144,464	3,719,370	120,874,059	n/a
2017	n/a	n/a	n/a	n/a	n/a
2016	n/a	n/a	n/a	n/a	n/a
2015	n/a	n/a	n/a	n/a	n/a
2014	n/a	n/a	n/a	n/a	n/a
2013	n/a	n/a	n/a	n/a	n/a
2012	n/a	n/a	n/a	n/a	n/a

Notes to Schedule

Valuation Date: Actuarially determined contribution rates are calculated every two years. The most recent actuarial valuation date was July 1, 2020.

Methods and assumptions used to determine contribution rate as of the last actuarial valuation:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Amortization of unfunded liability (closed period) as a level dollar
Amortization period	20 years
Asset valuation method	Market Value
Inflation	2.75 percent per year
Healthcare cost trends rate	Initial rate of 1.25 percent trending up to an ultimate rate of 4.25 percent in 2073
Salary increases	3 percent
Discount rate	The discount rate used to measure the total OPEB liability was 6.5 percent. The projection of cash flows used to determine the discount rate assumed the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the District's fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on the District's plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.
Investment rate of return	The OPEB Trust assets are invested in the Nevada Retirement Benefits Investment Fund (RBIF). Based upon the RBIF investment policy, the investment return is assumed to be 6.5 percent, net of expenses.
Retirement age	Normal retirement age is attainment of age 65. Unreduced early retirement is available after either 1) 30 years of service or; 2) age 60 with 10 years of service. Reduced early retirement benefits are available after attainment of age 55 and completion of 5 years of service (3 years of service if a participant prior to January 1, 2001).
Mortality	Non-Disabled Participants - Headcount-weighted RP-2014 Employee/Healthy Annuitant mortality table projected to 2020 using Projection Scale MP-2016; Disabled Participants - Headcount-weighted RP-2014 Disabled mortality table projected to 2020 using Projection Scale MP-2016, set forward 4 years.

The required supplementary information is presented for fiscal year 2018 through 2021, for which information measured in conformity with the requirements of GASB No. 75 is available. The schedule will ultimately present information for the last 10 fiscal years.

LAS VEGAS VALLEY WATER DISTRICT
Required Supplementary Information (Unaudited)
Schedule of Defined Benefit OPEB Plan Investment Returns
Last Ten Fiscal Years

Schedule B-6

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actual money-weighted rate of return, net of investment expense	23.99 %	4.37 %	— %	n/a	n/a	n/a	n/a	n/a	n/a	n/a

GASB 74 requires the disclosure of the money-weighted rate of return on plan investments. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of OPEB Trust investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. The Net External Cash Flows shown below represent employer contribution to the Trust. There were no cash outflows from the Trust during fiscal year. The money-weighted rate of return is calculated net of investment expenses.

The required supplementary information is presented for fiscal years 2019 through 2021, for which information measured in conformity with the requirements of GASB No. 74 is available. This schedule will ultimately present information for the last 10 fiscal years.

Other Supplementary Information



**LAS VEGAS VALLEY
WATER DISTRICT™**

LAS VEGAS VALLEY WATER DISTRICT
Other Supplementary Information
Budgetary Comparison - Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2021

	Budget ¹	Actual
OPERATING REVENUES		
Water sales	\$ 382,363,203	\$ 393,153,616
Inspection and application fees	724,256	4,311,045
Springs Preserve	3,127,885	387,554
Other	—	11,845
Total operating revenues	386,215,344	397,864,060
OPERATING EXPENSES		
Purchased water	97,091,127	99,660,851
Purchased energy	10,009,000	8,536,620
Operations and maintenance	223,054,233	141,959,741
Depreciation	100,000,000	85,575,785
Total operating expenses	430,154,360	335,732,997
OPERATING (LOSS) / INCOME	(43,939,016)	62,131,063
NONOPERATING (EXPENSES) / REVENUES		
Interest expense	(37,952,148)	(19,675,280)
Interest and investment income (loss), unrestricted	5,484,124	(621,173)
Interest and investment income, restricted	550,553	1,567,235
Other	—	2,445,211
Total nonoperating expenses	(31,917,471)	(16,284,007)
(LOSS) / INCOME BEFORE CONTRIBUTIONS	(75,856,487)	45,847,056
Capital contributions	9,293,310	58,775,620
CHANGE IN NET POSITION	\$ (66,563,177)	\$ 104,622,676

¹ According to Nevada Revised Statutes 354, the final budget approved by the LVVWD's Board of Directors was converted to the Statement of Revenues, Expenses, and Changes in Net Position format for filing with the Nevada Department of Taxation.

LAS VEGAS VALLEY WATER DISTRICT
Other Supplementary Information
Budgetary Comparison - Statement of Cash Flows
For the Fiscal Year Ended June 30, 2021

	Budget ¹	Actuals
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 386,215,344	\$ 386,656,267
Other cash receipts	—	850,163
Cash payments to employees for services	(155,777,610)	(122,638,274)
Cash payments to suppliers for goods and services	(174,376,750)	(149,357,658)
Other cash payments	(15,000,000)	(1,397)
Net cash provided by operating activities	41,060,984	115,509,101
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(147,629,101)	(77,765,268)
Capital contributed	9,293,310	45,199,579
Proceeds from sale of property and equipment	—	405,374
Proceeds from debt issuance	100,000,000	106,028,328
Principal paid on debt	(38,395,810)	(38,817,752)
Interest paid (net of subsidy)	(37,952,148)	(35,410,311)
Construction deposits	—	1,759,481
Net cash (used in) provided by capital and related financing activities	(114,683,749)	1,399,431
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investment securities	(401,475,340)	(647,328,622)
Proceeds from sales and maturities of investment securities	398,617,446	505,695,274
Interest on investments	6,034,677	8,005,004
Net cash provided by (used in) investing activities	3,176,783	(133,628,344)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(70,445,982)	(16,719,812)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	71,023,511	17,263,457
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 577,529	\$ 543,645

¹According to Nevada Revised Statutes 354, the final budget approved by the LVVWD's Board of Directors was converted to the Statement of Cash Flows format for filing with the Nevada Department of Taxation.

LAS VEGAS VALLEY WATER DISTRICT
Other Supplementary Information
Combining Statements of Fiduciary Net Position
As of June 30, 2021 (with comparative 2020)

			Combined Total	
	Pension	Other Postemployment Benefit	2021	2020
ASSETS				
Cash and cash equivalents	\$ 3,522,927	\$ 2,626,284	\$ 6,149,211	\$ 7,165,545
Insurance accounts at contract value	6,260,627	—	6,260,627	4,073,028
Investments at fair value:				
Domestic equity funds	356,665,117	—	356,665,117	284,674,134
Domestic bond funds	211,063,057	—	211,063,057	151,283,207
International equity fund	102,605,126	—	102,605,126	73,367,055
Global REIT	—	—	—	42,303,251
Real assets	69,176,088	—	69,176,088	—
Nevada Retirement Benefits Investment Trust	—	23,256,736	23,256,736	18,249,185
Total investments at fair value	739,509,388	23,256,736	762,766,124	569,876,832
Total investments	749,292,942	25,883,020	775,175,962	581,115,405
Accrued interest receivable	77,919	—	77,919	73,406
TOTAL ASSETS	749,370,861	25,883,020	775,253,881	581,188,811
LIABILITIES				
Accounts payable	172,930	—	172,930	152,592
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS	<u>\$ 749,197,931</u>	<u>\$ 25,883,020</u>	<u>\$ 775,080,951</u>	<u>\$ 581,036,219</u>

LAS VEGAS VALLEY WATER DISTRICT
Other Supplementary Information
Combining Statements of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2021 (with comparative 2020)

	Combined Total			
	Pension	Other Postemployment Benefit	2021	2020
ADDITIONS				
Employer contributions	\$ 45,116,398	\$ 2,388,632	\$ 47,505,030	\$ 47,430,990
Employee contributions	1,020,477	—	1,020,477	601,900
Investment earnings:				
Interest	237,685	365,429	603,114	689,681
Net change in fair value of investments	168,487,673	4,649,337	173,137,010	23,550,403
Total investment earnings	168,725,358	5,014,766	173,740,124	24,240,084
Less investment expense	(374,704)	(5,973)	(380,677)	(340,068)
Net investment earnings	168,350,654	5,008,793	173,359,447	23,900,016
Total additions	214,487,529	7,397,425	221,884,954	71,932,906
DEDUCTIONS				
Administrative and general	383,043	1,000	384,043	360,572
Benefits	25,067,547	2,388,632	27,456,179	24,849,686
Total deductions	25,450,590	2,389,632	27,840,222	25,210,258
NET INCREASE IN NET POSITION	189,036,939	5,007,793	194,044,732	46,722,648
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS				
Beginning of year	560,160,992	20,875,227	581,036,219	534,313,571
End of year	\$ 749,197,931	\$ 25,883,020	\$ 775,080,951	\$ 581,036,219

Statistical Section (Unaudited)

- **Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

- **Revenue Capacity**

These schedules contain information to help the reader assess the District's revenue sources and rate structures.

- **Debt Capacity**

These schedules contain information to help the reader assess affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

- **Demographic and Economic Information**

These schedules offer demographic, economic, and District indicators to help the reader understand the environment within which the District financial activities take place.

- **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.



**LAS VEGAS VALLEY
WATER DISTRICT™**

FINANCIAL TRENDS

- Net Position by Component
- Changes in Net Position



**LAS VEGAS VALLEY
WATER DISTRICT™**

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Net Position by Component
Last Ten Fiscal Years

Table 1

Fiscal Year Ended June 30	Net Investments in Capital Assets	Restricted	Unrestricted	Total Net Position
2021	\$ 861,957,126	\$ 12,628,324	\$ 402,793,940	\$ 1,277,379,390
2020	864,706,563	13,086,566	294,963,585	1,172,756,714
2019	811,093,581	11,812,183	295,638,147	1,118,543,911
2018 ¹	836,946,681	10,645,884	192,407,826	1,040,000,391
2017	860,075,485	9,913,821	143,469,517	1,013,458,823
2016	876,206,238	10,686,366	93,377,404	980,270,008
2015 ²	853,976,982	10,127,477	90,569,572	954,674,031
2014	873,306,116	10,689,687	163,965,716	1,047,961,519
2013	905,312,138	10,697,000	138,100,674	1,054,109,812
2012	932,362,278	12,687,979	122,164,937	1,067,215,194

¹The District adopted GASB Statement No. 75 effective for fiscal year 2018. The cumulative effect of applying the new Statement is reported as a restatement of the beginning unrestricted net position, in the amount of \$17,388,811 as of the beginning of the initial period of implementation.

²The District adopted GASB Statement No. 68 effective for fiscal year 2015. The cumulative effect of applying the net Statement is reported as a restatement of the beginning unrestricted net position, in the amount of \$103,832,297 as of the beginning of the initial period of implementation.

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Changes in Net Position
Last Ten Fiscal Years

Table 2

	2021	2020	2019	2018	2017
OPERATING REVENUES					
Water sales	\$393,153,616	\$367,251,189	\$368,415,325	\$366,696,687	\$349,945,542
Inspection and application fees	4,311,045	3,091,750	3,106,856	2,788,421	2,097,655
Springs Preserve	387,554	1,965,658	3,047,093	2,756,528	2,784,944
Other	11,845	12,260	76,631	66,489	60,374
Total operating revenues	397,864,060	372,320,857	374,645,905	372,308,125	354,888,515
OPERATING EXPENSES					
Purchased water	99,660,851	101,774,269	91,499,814	92,830,073	90,345,870
Purchased energy	8,536,620	8,396,835	9,106,323	9,771,761	9,019,972
Operations and maintenance	141,959,741	165,901,555	140,136,806	153,213,176	151,366,913
Total operating expenses	250,157,212	276,072,659	240,742,943	255,815,010	250,732,755
Operating income before depreciation expense	147,706,848	96,248,198	133,902,962	116,493,115	104,155,760
Depreciation	(85,575,785)	(85,511,260)	(85,670,125)	(84,232,472)	(83,928,107)
OPERATING INCOME (LOSS)	62,131,063	10,736,938	48,232,837	32,260,643	20,227,653
NONOPERATING (EXPENSES)/REVENUES					
Interest expense	(19,675,280)	(20,525,776)	(29,831,391)	(26,660,604)	(27,777,621)
Interest and investment income (loss), unrestricted	(621,173)	20,110,119	17,227,950	2,256,083	1,042,888
Interest and Investment income, restricted	1,567,235	829,668	1,729,519	440,982	269,500
Other ¹	2,445,211	2,134,696	2,729,650	2,769,822	2,386,071
Total nonoperating (expenses) / revenues	(16,284,007)	2,548,707	(8,144,272)	(21,193,717)	(24,079,162)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	45,847,056	13,285,645	40,088,565	11,066,926	(3,851,509)
Capital contributions	58,775,620	40,927,158	38,454,955	32,863,453	37,040,324
CHANGE IN NET POSITION	\$104,622,676	\$ 54,212,803	\$ 78,543,520	\$ 43,930,379	\$ 33,188,815

¹Gain (Loss) on disposition of property, plant, and equipment; scrap sales and other income.

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Changes in Net Position
Last Ten Fiscal Years

Table 2

	2016	2015	2014	2013	2012
OPERATING REVENUES					
Water sales	\$334,838,222	\$331,653,871	\$333,851,405	\$332,465,011	\$333,602,721
Inspection and application fees	2,443,875	3,612,475	2,811,054	1,562,178	915,666
Springs Preserve	2,643,382	2,443,004	2,254,947	2,056,183	1,857,261
Other	60,910	81,075	30,113	31,527	21,074
Total operating revenues	339,986,389	337,790,425	338,947,519	336,432,153	336,396,722
OPERATING EXPENSES					
Purchased water	87,093,101	84,918,440	84,985,143	83,290,163	83,464,195
Purchased energy	9,761,793	11,328,302	9,718,597	10,005,417	10,278,751
Operations and maintenance	146,457,928	149,750,677	158,264,499	153,062,894	160,065,672
Total operating expenses	243,312,822	245,997,419	252,968,239	246,358,474	253,808,618
Operating income before depreciation expense	96,673,567	91,793,006	85,979,280	90,073,679	82,588,104
Depreciation	(81,861,319)	(80,750,035)	(84,814,023)	(83,495,332)	(85,072,124)
OPERATING INCOME (LOSS)	14,812,248	11,042,971	1,165,257	6,578,347	(2,484,020)
NONOPERATING (EXPENSES)/REVENUES					
Interest expense	(28,545,553)	(34,632,256)	(36,422,644)	(36,458,533)	(39,624,869)
Interest and investment income (loss), unrestricted	2,577,164	1,265,650	1,094,644	256,072	601,416
Interest and investment income, restricted	202,125	248,210	381,689	235,726	192,892
Other ¹	702,547	(1,905,908)	(3,063,090)	(3,908,783)	593,955
Total nonoperating (expenses) / revenues	(25,063,717)	(35,024,304)	(38,009,401)	(39,875,518)	(38,236,606)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(10,251,469)	(23,981,333)	(36,844,144)	(33,297,171)	(40,720,626)
Capital contributions	35,847,446	34,526,142	30,695,851	20,191,789	16,489,056
CHANGE IN NET POSITION	\$ 25,595,977	\$ 10,544,809	\$ (6,148,293)	\$ (13,105,382)	\$ (24,231,570)

¹Gain (Loss) on disposition of property, plant, and equipment; scrap sales and other income.

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REVENUE CAPACITY

- Water Consumption, Revenue and Active Accounts
- Revenue Analysis by Class of Service
- Water Rates - Last Ten Fiscal Years
- Municipal Water Rates Survey
- Top Ten Principal Ratepayers



**LAS VEGAS VALLEY
WATER DISTRICT™**

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Water Consumption, Revenue and Active Accounts ¹
Last Ten Fiscal Years

Table 3

	2021	2020	2019	2018	2017
Water Consumption ² (thousands of gallons)					
Residential - single service	47,982,813	45,554,902	45,499,488	47,527,027	46,816,937
Residential - duplex, triplex/fourplex	653,279	660,715	661,476	685,307	699,597
Apts., condos & townhouses	17,661,457	16,705,144	16,850,057	16,781,540	16,321,023
Residential, other	1,157,738	1,114,143	1,079,565	1,083,384	1,054,444
Hotels	7,483,930	7,900,286	9,499,444	9,774,410	9,748,887
Motels	1,104,570	1,039,614	1,151,395	1,200,092	1,204,671
Community facilities	2,170,842	2,079,438	2,070,984	2,174,214	2,222,950
Schools	1,602,277	1,638,574	1,711,504	1,759,977	1,786,227
Fireline	603,767	600,459	533,846	520,938	499,253
Irrigation	15,755,749	14,723,329	13,926,159	14,613,277	15,177,585
Commercial/business	8,807,756	8,546,105	9,135,117	9,027,023	8,878,970
Recreational	211,574	210,389	220,265	219,883	223,266
Industrial	1,326,884	1,286,408	1,407,321	1,413,027	1,366,087
Construction water	1,955,374	1,360,289	1,375,426	1,503,683	1,594,122
Other	823,799	881,736	551,256	626,770	613,752
Total consumption	109,301,809	104,301,531	105,673,303	108,910,552	108,207,771
Water revenue ³	\$ 571,527,570	\$ 540,004,882	\$ 538,754,649	\$ 531,164,103	\$ 497,190,376
Effective rate per 1,000 gal. ⁴	\$ 5.2289	\$ 5.1773	\$ 5.0983	\$ 4.8771	\$ 4.5948
Active accounts at June 30	408,542	402,911	397,336	392,700	387,829

¹Excludes recharged water sales.

²At various times certain accounts were reclassified, primarily affecting the community facilities, irrigation and recreational categories.

³Consists of water sales, SNWA regional and surcharges, delinquent and other charges.

⁴Effective rate is water revenue divided by total consumption. Because water rates are variable, the effective rate can fluctuate.

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Water Consumption, Revenue and Active Accounts ¹
Last Ten Fiscal Years

Table 3

	2016	2015	2014	2013	2012
Water Consumption ² (thousands of gallons)					
Residential - single service	45,209,157	44,991,526	45,665,514	45,513,855	45,320,607
Residential - duplex, triplex/fourplex	680,055	685,356	673,863	683,980	723,885
Apts., condos & townhouses	15,626,628	15,079,361	14,779,868	14,963,548	14,749,229
Residential, other	1,025,439	1,758,032	1,910,898	1,052,194	1,066,847
Hotels	9,732,548	9,300,207	9,183,026	9,341,023	9,444,531
Motels	1,218,345	1,202,549	1,067,988	1,113,680	1,097,440
Community facilities	1,977,562	1,895,184	1,859,986	1,977,402	1,784,624
Schools	1,699,048	1,674,701	1,587,395	1,645,652	1,679,146
Fireline	604,589	533,454	461,627	404,427	397,255
Irrigation	13,931,438	13,597,974	14,161,515	14,276,087	14,429,234
Commercial/business	8,622,104	8,304,191	8,159,823	8,291,645	8,199,688
Recreational	211,808	213,441	175,423	183,084	217,679
Industrial	1,312,860	1,269,195	1,201,732	1,183,615	1,078,118
Construction water	1,464,616	1,004,599	871,323	724,445	907,904
Other	639,328	531,314	566,052	591,594	540,057
Total consumption	103,955,525	102,041,084	102,326,033	101,946,231	101,636,244
Water revenue ³	\$ 456,388,893	\$ 433,366,358	\$ 426,489,464	\$ 421,957,342	\$ 383,660,967
Effective rate per 1,000 gal. ⁴	\$ 4.3902	\$ 4.2470	\$ 4.1679	\$ 4.1390	\$ 3.7748
Active accounts at June 30	380,791	373,080	367,482	360,125	356,274

¹Excludes recharged water sales.

²At various times certain accounts were reclassified, primarily affecting the community facilities, irrigation and recreational categories.

³Consists of water sales, SNWA regional and surcharges, delinquent and other charges.

⁴Effective rate is water revenue divided by total consumption. Because water rates are variable, the effective rate can fluctuate.

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Revenue Analysis by Class of Service
For the Fiscal Year Ended June 30, 2021

Table 4

Class of Service	Annual Revenue ¹	Annual Consumption Per Billing (1,000 gal.)	Annual Number of Billings	Average Revenue (1,000 gal.) ²	Average Monthly Revenue per Customer ³	Average Monthly Consumption Per Billing (1,000gal.) ⁴	Active Customers 6/30/2021
Residential - single service	\$ 261,007,005	47,982,813	4,434,941	\$ 5.4396	\$ 58.85	10.8	372,058
Residential - duplex/triplex/fourplex	3,420,113	653,279	33,726	5.2353	101.41	19.4	2,803
Apts., condos, & townhouses	77,751,511	17,661,457	53,441	4.4023	1,454.90	330.5	4,464
Residential, other	4,231,877	1,157,738	2,500	3.6553	1,692.75	463.1	210
Hotels	32,774,907	7,483,930	3,027	4.3794	10,827.52	2,472.4	251
Motels	5,238,581	1,104,570	2,893	4.7426	1,810.78	381.8	241
Community facilities	10,851,311	2,170,842	12,837	4.9987	845.32	169.1	1,082
Schools	8,289,661	1,602,277	8,919	5.1737	929.44	179.6	742
Fireline	29,668,566	603,767	66,749	49.1391	444.48	9.0	5,609
Irrigation	66,054,176	15,755,749	86,952	4.1924	759.66	181.2	7,318
Commercial/business	48,974,185	8,807,756	105,455	5.5603	464.41	83.5	8,852
Recreational	1,026,919	211,574	877	4.8537	1,170.94	241.2	74
Industrial	7,392,147	1,326,884	15,359	5.5711	481.29	86.4	1,286
Construction water	9,846,312	1,955,374	41,165	5.0355	239.19	47.5	3,298
Other	5,000,299	823,799	3,432	6.0698	1,456.96	240.0	254
Total	\$ 571,527,570	109,301,809	4,872,273	\$ 5.2289	\$ 117.30	22.4	408,542

¹Annual Revenue includes \$175,508,422 SNWA regional revenues and infrastructure charges.

²Annual Revenue divided by Annual Consumption Per Billing (1,000 gal.)

³Annual Revenue divided by Annual Number of Billings.

⁴Annual Consumption Per Billing (1,000 gal.) divided by Annual Number of Billings.

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Revenue Capacity
Water Rates

Table 5

Water rates for the last ten fiscal years are displayed on the following pages. The $\frac{5}{8}$ " and $\frac{3}{4}$ " meter diameter services are primarily residential. Monthly water costs vary based on the number of days in the billing period.

Water rates are structured to promote conservation, pay operating expenses and bond debt, and to fund expenditures for utility plant not funded by bond proceeds.

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Revenue Capacity
Water Rates¹

Table 5

January 1, 2021 to June 30, 2021

Meter Size (inches)	Service Charge Daily	Rate Thresholds Avg. Daily Use		Rate Per 1,000 gallons
		Non-Residential (In Gallons)	Single Family Residential (In Gallons)	
5/8	\$0.3856	First 167	First 167	\$1.34
		Next 167	Next 167	\$2.39
		Next 333	Next 333	\$3.55
		Over 667	Over 667	\$5.27
3/4	\$0.4439	First 250	First 222	\$1.34
		Next 250	Next 222	\$2.39
		Next 500	Next 444	\$3.55
		Over 1,000	Over 889	\$5.27
1	\$0.5608	First 417	First 334	\$1.34
		Next 417	Next 334	\$2.39
		Next 1,666	Next 1,222	\$3.55
		Over 2,500	Over 1,889	\$5.27
1 1/2	\$0.8525	First 833	First 611	\$1.34
		Next 833	Next 611	\$2.39
		Next 6,667	Next 4,556	\$3.55
		Over 8,333	Over 5,778	\$5.27
2	\$1.2033	First 1,333	First 944	\$1.34
		Next 1,333	Next 944	\$2.39
		Next 16,000	Next 10,778	\$3.55
		Over 18,666	Over 12,666	\$5.27
3	\$2.1382	First 2,667		\$1.34
		Next 2,667		\$2.39
		Next 42,666		\$3.55
		Over 48,000		\$5.27
4	\$3.1899	First 4,167		\$1.34
		Next 4,167		\$2.39
		Next 125,000		\$3.55
		Over 133,334		\$5.27
6	\$6.1113	First 8,333		\$1.34
		Next 8,333		\$2.39
		Next 400,000		\$3.55
		Over 416,666		\$5.27
8	\$9.6169	First 13,333		\$1.34
		Next 13,333		\$2.39
		Next 773,337		\$3.55
		Over 800,000		\$5.27
10	\$13.7068	First 19,167		\$1.34
		Next 19,167		\$2.39
		Next 1,303,333		\$3.55
		Over 1,341,667		\$5.27
12	\$20.1338	First 28,333		\$1.34
		Next 28,333		\$2.39
		Next 1,926,667		\$3.55
		Over 1,983,333		\$5.27

Continued

¹Excluded:

- (a) Rates for outlying areas and mobile home parks;
- (b) Special purpose rates and charges, such as for private fire protection water and metered construction water;
- (c) SNWA reliability charge on residential class customers at 0.25 percent of the total water bill and 2.5 percent for all other classes; effective March 1, 1998;
- (d) SNWA commodity charge (not charged to Jean, Nevada): \$0.48/1,000 gallons from January 1, 2017 to current;
- (e) SNWA regional infrastructure charge with a wide range of fees based on meter diameter size. The following rates are based on a 30-day billing period.
Beginning January 1, 2018 to current the fee for residential 5/8" and 3/4" meters is \$12.92 monthly and for other sizes, the fee can range up to \$2,350 monthly.

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Revenue Capacity
Water Rates¹

Table 5

January 1, 2020 to December 31, 2020

Meter Size (inches)	Service Charge Daily	Rate Thresholds Avg. Daily Use		Rate Per 1,000 gallons
		Non-Residential (In Gallons)	Single Family Residential (In Gallons)	
5/8	\$0.3799	First 167	First 167	\$1.32
		Next 167	Next 167	\$2.35
		Next 333	Next 333	\$3.50
		Over 667	Over 667	\$5.19
3/4	\$0.4373	First 250	First 222	\$1.32
		Next 250	Next 222	\$2.35
		Next 500	Next 444	\$3.50
		Over 1,000	Over 889	\$5.19
1	\$0.5525	First 417	First 334	\$1.32
		Next 417	Next 334	\$2.35
		Next 1,666	Next 1,222	\$3.50
		Over 2,500	Over 1,889	\$5.19
1 1/2	\$0.8399	First 833	First 611	\$1.32
		Next 833	Next 611	\$2.35
		Next 6,667	Next 4,556	\$3.50
		Over 8,333	Over 5,778	\$5.19
2	\$1.1855	First 1,333	First 944	\$1.32
		Next 1,333	Next 944	\$2.35
		Next 16,000	Next 10,778	\$3.50
		Over 18,666	Over 12,666	\$5.19
3	\$2.1066	First 2,667		\$1.32
		Next 2,667		\$2.35
		Next 42,666		\$3.50
		Over 48,000		\$5.19
4	\$3.1428	First 4,167		\$1.32
		Next 4,167		\$2.35
		Next 125,000		\$3.50
		Over 133,334		\$5.19
6	\$6.0210	First 8,333		\$1.32
		Next 8,333		\$2.35
		Next 400,000		\$3.50
		Over 416,666		\$5.19
8	\$9.4748	First 13,333		\$1.32
		Next 13,333		\$2.35
		Next 773,337		\$3.50
		Over 800,000		\$5.19
10	\$13.5042	First 19,167		\$1.32
		Next 19,167		\$2.35
		Next 1,303,333		\$3.50
		Over 1,341,667		\$5.19
12	\$19.8363	First 28,333		\$1.32
		Next 28,333		\$2.35
		Next 1,926,667		\$3.50
		Over 1,983,333		\$5.19

Continued

¹Excluded:

- (a) Rates for outlying areas and mobile home parks;
- (b) Special purpose rates and charges, such as for private fire protection water and metered construction water;
- (c) SNWA reliability charge on residential class customers at 0.25 percent of the total water bill and 2.5 percent for all other classes; effective March 1, 1998;
- (d) SNWA commodity charge (not charged to Jean, Nevada): \$0.48/1,000 gallons from January 1, 2017 to current;
- (e) SNWA regional infrastructure charge with a wide range of fees based on meter diameter size. The following rates are based on a 30-day billing period.
Beginning January 1, 2018 to current the fee for residential 5/8" and 3/4" meters is \$12.92 monthly and for other sizes, the fee can range up to \$2,350 monthly.

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Revenue Capacity
Water Rates¹

Table 5

January 1, 2019 to December 31, 2019

Meter Size (inches)	Service Charge Daily	Rate Thresholds Avg. Daily Use		Rate Per 1,000 gallons
		Non-Residential (In Gallons)	Single Family Residential (In Gallons)	
5/8	\$0.3692	First 167	First 167	\$1.28
		Next 167	Next 167	\$2.28
		Next 333	Next 333	\$3.40
		Over 667	Over 667	\$5.04
3/4	\$0.4250	First 250	First 222	\$1.28
		Next 250	Next 222	\$2.28
		Next 500	Next 444	\$3.40
		Over 1,000	Over 889	\$5.04
1	\$0.5369	First 417	First 334	\$1.28
		Next 417	Next 334	\$2.28
		Next 1,666	Next 1,222	\$3.40
		Over 2,500	Over 1,889	\$5.04
1 1/2	\$0.8162	First 833	First 611	\$1.28
		Next 833	Next 611	\$2.28
		Next 6,667	Next 4,556	\$3.40
		Over 8,333	Over 5,778	\$5.04
2	\$1.1521	First 1,333	First 944	\$1.28
		Next 1,333	Next 944	\$2.28
		Next 16,000	Next 10,778	\$3.40
		Over 18,666	Over 12,666	\$5.04
3	\$2.0472	First 2,667		\$1.28
		Next 2,667		\$2.28
		Next 42,666		\$3.40
		Over 48,000		\$5.04
4	\$3.0542	First 4,167		\$1.28
		Next 4,167		\$2.28
		Next 125,000		\$3.40
		Over 133,334		\$5.04
6	\$5.8513	First 8,333		\$1.28
		Next 8,333		\$2.28
		Next 400,000		\$3.40
		Over 416,666		\$5.04
8	\$9.2078	First 13,333		\$1.28
		Next 13,333		\$2.28
		Next 773,337		\$3.40
		Over 800,000		\$5.04
10	\$13.1236	First 19,167		\$1.28
		Next 19,167		\$2.28
		Next 1,303,333		\$3.40
		Over 1,341,667		\$5.04
12	\$19.2773	First 28,333		\$1.28
		Next 28,333		\$2.28
		Next 1,926,667		\$3.40
		Over 1,983,333		\$5.04

Continued

¹Excluded:

- (a) Rates for outlying areas and mobile home parks;
- (b) Special purpose rates and charges, such as for private fire protection water and metered construction water;
- (c) SNWA reliability charge on residential class customers at 0.25 percent of the total water bill and 2.5 percent for all other classes; effective March 1, 1998;
- (d) SNWA commodity charge (not charged to Jean, Nevada): \$0.48/1,000 gallons from January 1, 2017 to current;
- (e) SNWA regional infrastructure charge with a wide range of fees based on meter diameter size. The following rates are based on a 30-day billing period.
Beginning January 1, 2018 to current the fee for residential 5/8" and 3/4" meters is \$12.92 monthly and for other sizes, the fee can range up to \$2,350 monthly.

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Revenue Capacity
Water Rates¹

Table 5

January 1, 2018 to December 31, 2018

Meter Size (inches)	Service Charge Daily	Rate Thresholds Avg. Daily Use		Rate Per 1,000 gallons
		Non-Residential (In Gallons)	Single Family Residential (In Gallons)	
5/8	\$0.3560	First 167	First 167	\$1.23
		Next 167	Next 167	\$2.20
		Next 333	Next 333	\$3.28
		Over 667	Over 667	\$4.86
3/4	\$0.4098	First 250	First 222	\$1.23
		Next 250	Next 222	\$2.20
		Next 500	Next 444	\$3.28
		Over 1,000	Over 889	\$4.86
1	\$0.5177	First 417	First 334	\$1.23
		Next 417	Next 334	\$2.20
		Next 1,666	Next 1,222	\$3.28
		Over 2,500	Over 1,889	\$4.86
1 1/2	\$0.7871	First 833	First 611	\$1.23
		Next 833	Next 611	\$2.20
		Next 6,667	Next 4,556	\$3.28
		Over 8,333	Over 5,778	\$4.86
2	\$1.1110	First 1,333	First 944	\$1.23
		Next 1,333	Next 944	\$2.20
		Next 16,000	Next 10,778	\$3.28
		Over 18,666	Over 12,666	\$4.86
3	\$1.9742	First 2,667		\$1.23
		Next 2,667		\$2.20
		Next 42,666		\$3.28
		Over 48,000		\$4.86
4	\$2.9452	First 4,167		\$1.23
		Next 4,167		\$2.20
		Next 125,000		\$3.28
		Over 133,334		\$4.86
6	\$5.6425	First 8,333		\$1.23
		Next 8,333		\$2.20
		Next 400,000		\$3.28
		Over 416,666		\$4.86
8	\$8.8793	First 13,333		\$1.23
		Next 13,333		\$2.20
		Next 773,337		\$3.28
		Over 800,000		\$4.86
10	\$12.6554	First 19,167		\$1.23
		Next 19,167		\$2.20
		Next 1,303,333		\$3.28
		Over 1,341,667		\$4.86
12	\$18.5895	First 28,333		\$1.23
		Next 28,333		\$2.20
		Next 1,926,667		\$3.28
		Over 1,983,333		\$4.86

Continued

¹Excluded:

- (a) Rates for outlying areas and mobile home parks;
- (b) Special purpose rates and charges, such as for private fire protection water and metered construction water;
- (c) SNWA reliability charge on residential class customers at 0.25 percent of the total water bill and 2.5 percent for all other classes; effective March 1, 1998;
- (d) SNWA commodity charge (not charged to Jean, Nevada): \$0.48/1,000 gallons from January 1, 2017 to current;
- (e) SNWA regional infrastructure charge with a wide range of fees based on meter diameter size. The following rates are based on a 30-day billing period.
Beginning January 1, 2018 to current the fee for residential 5/8" and 3/4" meters is \$12.92 monthly and for other sizes, the fee can range up to \$2,350 monthly.

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Revenue Capacity
Water Rates¹

Table 5

February 1, 2017 to December 31, 2017

Meter Size (inches)	Service Charge Daily	Rate Thresholds Avg. Daily Use		Rate Per 1,000 gallons
		Non-Residential (In Gallons)	Single Family Residential (In Gallons)	
5/8	\$0.3456	First 167	First 167	\$1.19
		Next 167	Next 167	\$2.14
		Next 333	Next 333	\$3.18
		Over 667	Over 667	\$4.72
3/4	\$0.3979	First 250	First 222	\$1.19
		Next 250	Next 222	\$2.14
		Next 500	Next 444	\$3.18
		Over 1,000	Over 889	\$4.72
1	\$0.5026	First 417	First 334	\$1.19
		Next 417	Next 334	\$2.14
		Next 1,666	Next 1,222	\$3.18
		Over 2,500	Over 1,889	\$4.72
1 1/2	\$0.7642	First 833	First 611	\$1.19
		Next 833	Next 611	\$2.14
		Next 6,667	Next 4,556	\$3.18
		Over 8,333	Over 5,778	\$4.72
2	\$1.0786	First 1,333	First 944	\$1.19
		Next 1,333	Next 944	\$2.14
		Next 16,000	Next 10,778	\$3.18
		Over 18,666	Over 12,666	\$4.72
3	\$1.9167	First 2,667		\$1.19
		Next 2,667		\$2.14
		Next 42,666		\$3.18
		Over 48,000		\$4.72
4	\$2.8594	First 4,167		\$1.19
		Next 4,167		\$2.14
		Next 125,000		\$3.18
		Over 133,334		\$4.72
6	\$5.4782	First 8,333		\$1.19
		Next 8,333		\$2.14
		Next 400,000		\$3.18
		Over 416,666		\$4.72
8	\$8.6207	First 13,333		\$1.19
		Next 13,333		\$2.14
		Next 773,337		\$3.18
		Over 800,000		\$4.72
10	\$12.2868	First 19,167		\$1.19
		Next 19,167		\$2.14
		Next 1,303,333		\$3.18
		Over 1,341,667		\$4.72
12	\$18.0481	First 28,333		\$1.19
		Next 28,333		\$2.14
		Next 1,926,667		\$3.18
		Over 1,983,333		\$4.72

Continued

¹Excluded:

- (a) Rates for outlying areas and mobile home parks;
- (b) Special purpose rates and charges, such as for private fire protection water and metered construction water;
- (c) SNWA reliability charge on residential class customers at 0.25 percent of the total water bill and 2.5 percent for all other classes; effective since March 1, 1998;
- (d) SNWA commodity charge (not charged to Jean, Nevada): \$0.48/1,000 gallons from January 1, 2017 to current;
- (e) SNWA regional infrastructure charge with a wide range of fees based on meter diameter size. The following rates are based on a 30-day billing period. Beginning January 1, 2017 to December 31, 2017, the fee for residential 5/8" and 3/4" meters was \$11.72 monthly and for other sizes, the fee ranged up to \$2,245 monthly.

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Revenue Capacity
Water Rates¹

Table 5

January 1, 2011 to January 31, 2017

Meter Size (inches)	Service Charge Daily	Rate Thresholds Avg. Daily Use		Rate Per 1,000 gallons
		Non-Residential (In Gallons)	Single Family Residential (In Gallons)	
5/8	\$0.3355	First 167	First 167	\$1.16
		Next 167	Next 167	\$2.08
		Next 333	Next 333	\$3.09
		Over 667	Over 667	\$4.58
3/4	\$0.3863	First 250	First 222	\$1.16
		Next 250	Next 222	\$2.08
		Next 500	Next 444	\$3.09
		Over 1,000	Over 889	\$4.58
1	\$0.4880	First 417	First 334	\$1.16
		Next 417	Next 334	\$2.08
		Next 1,666	Next 1,222	\$3.09
		Over 2,500	Over 1,889	\$4.58
1 1/2	\$0.7419	First 833	First 611	\$1.16
		Next 833	Next 611	\$2.08
		Next 6,667	Next 4,556	\$3.09
		Over 8,333	Over 5,778	\$4.58
2	\$1.0472	First 1,333	First 944	\$1.16
		Next 1,333	Next 944	\$2.08
		Next 16,000	Next 10,778	\$3.09
		Over 18,666	Over 12,666	\$4.58
3	\$1.8609	First 2,667		\$1.16
		Next 2,667		\$2.08
		Next 42,666		\$3.09
		Over 48,000		\$4.58
4	\$2.7761	First 4,167		\$1.16
		Next 4,167		\$2.08
		Next 125,000		\$3.09
		Over 133,334		\$4.58
6	\$5.3186	First 8,333		\$1.16
		Next 8,333		\$2.08
		Next 400,000		\$3.09
		Over 416,666		\$4.58
8	\$8.3696	First 13,333		\$1.16
		Next 13,333		\$2.08
		Next 773,337		\$3.09
		Over 800,000		\$4.58
10	\$11.9289	First 19,167		\$1.16
		Next 19,167		\$2.08
		Next 1,303,333		\$3.09
		Over 1,341,667		\$4.58
12	\$17.5224	First 28,333		\$1.16
		Next 28,333		\$2.08
		Next 1,926,667		\$3.09
		Over 1,983,333		\$4.58

¹Excluded:

- (a) Rates for outlying areas and mobile home parks;
- (b) Special purpose rates and charges, such as for private fire protection water and metered construction water;
- (c) SNWA reliability charge on residential class customers at 0.25 percent of the total water bill and 2.5 percent for all other classes; effective March 1, 1998;
- (d) SNWA commodity charge (not charged to Jean, Nevada): \$0.30/1,000 gallons from January 1, 2011 to December 31, 2013; \$0.34/1,000 gallons for calendar year 2014; \$0.38/1,000 gallons for calendar year 2015; \$0.44/1,000 gallons for calendar year 2016; \$0.48/1,000 gallons from January 1, 2017 to current;
- (e) SNWA regional infrastructure charge with fees based on meter diameter size. The charge was initially implemented in April 2012 and the rates are based on a 30-day billing period. Beginning April 1, 2012 to December 31, 2013, the fee for residential 5/8" and 3/4" meters, the primary residential sizes, was \$5.00 monthly, and ranged up to \$1,660 monthly for other size meters. Beginning January 1, 2014 to December 31, 2014, the fee for residential 5/8" and 3/4" meters increased to \$5.64 monthly and for other sizes, up to \$1,715 monthly; For calendar year 2015, the fee for residential 5/8" and 3/4" meters increased to \$6.36 monthly and for other sizes, up to \$1,778 monthly; For calendar year 2016, the fee for residential 5/8" and 3/4" meters increased to \$9.59 monthly and for other sizes, up to \$2,059 monthly. For calendar year 2017 the fee for residential 5/8" and 3/4" meters increased to \$11.72 monthly and for other sizes, up to \$2,245 monthly.

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Municipal Water Rates Survey
2021 Average Monthly Bill for 10,800 Gallons

Table 6

CITY	\$10 - \$20	\$20 - \$30	\$30 - \$40	\$40 - \$50	\$50 - \$60	\$60 - \$70	\$70 - \$80	\$80 - \$90	\$90 - \$100	Over \$100
Santa Cruz, CA (OC)										275.35
Santa Cruz, CA										241.19
Santa Barbara, CA										219.23
San Francisco, CA										165.71
Colorado Springs, CO (OC)										146.80
Santa Fe, NM										135.31
Seattle, WA (OC)										119.15
Los Angeles, CA										117.03
San Jose, CA										116.38
San Diego, CA										112.58
Oakland, CA (EBMUD)										107.68
Portland, OR										105.73
Seattle, WA										104.46
Colorado Springs, CO									97.85	
Flagstaff, AZ									92.50	
Marin, CA								89.42		
San Antonio, TX (OC)								83.87		
Tucson, AZ								83.08		
Santa Rosa, CA								82.00		
Long Beach, CA								80.88		
San Antonio, TX							74.51			
Denver, CO (OC)							73.58			
Tacoma, WA (OC)							71.41			
Pasadena, CA							70.70			
Pasadena, CA (OC)							70.70			
Houston, TX						68.22				
Phoenix, AZ (OC)						67.39				
Riverside, CA (OC)						63.31				
Boulder, CO (OC)						63.11				
Anaheim, CA						61.92				
Tacoma, WA						61.90				
Cheyenne, WY					58.98					
Boulder, CO					56.68					
North Las Vegas, NV					56.51					
Victorville, CA					54.02					
Boulder City, NV					53.77					
Denver, CO					53.45					
Las Vegas, NV					52.62					
Billings, MT (OC)					52.00					
El Paso, TX					51.73					
Henderson, NV					51.64					
Billings, MT				49.89						
Scottsdale, AZ				48.24						
Reno, NV				47.73						
Phoenix, AZ				46.66						
Kingman, AZ (OC)				46.41						
Salt Lake City, UT (OC)				45.17						
Dallas, TX				45.15						
Redding, CA				44.31						
San Bernadino, CA				44.08						
Riverside, CA				43.07						
Albuquerque, NM				41.70						
Boise, ID			35.64							
Kingman, AZ			35.54							
St. George, UT			34.39							
Salt Lake City, UT			33.55							
Cedar City, UT		27.05								

Based on the LVVWD Average Monthly Single-Family Consumption of 10,800 gallons and a 5/8 or 3/4 inch Service Charge for comparison.

OC - Outside City
EBMUD - East Bay Metropolitan Utilities District

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Top Ten Principal Ratepayers
Calendar Year 2020 and Nine Years Ago

Table 7

Ratepayer	2020			2011		
	Revenue	Rank	Percentage of Total Revenue	Revenue	Rank	Percentage of Total Revenue
Clark County School District	\$ 11,227,445	1	2.02 %	\$ 6,533,041	1	1.80 %
City of Las Vegas	6,644,959	2	1.20	4,261,454	2	1.18
Clark County	6,465,381	3	1.16	3,740,598	3	1.03
Venetian Casino Resort LLC	1,893,694	4	0.34	2,198,248	4	0.61
Wynn Las Vegas	1,661,255	5	0.30	2,104,110	5	0.58
Southern Highlands Golf Club LLC	1,660,770	6	0.30	—	—	—
Summerlin Council	1,655,536	7	0.30	—	—	—
Clark County Aviation	1,641,810	8	0.30	—	—	—
Caesars Palace Hotel	1,600,797	9	0.29	1,514,311	9	0.42
Mandalay Bay Hotel	1,561,928	10	0.28	1,955,046	6	0.54
Bellagio Hotel and Casino	—	—	—	1,826,777	8	0.50
Oasis Residential Inc.	—	—	—	1,901,030	7	0.52
MGM Grand Hotel	—	—	—	1,471,021	10	0.41
	<u>\$ 36,013,575</u>		<u>6.49 %</u>	<u>\$ 27,505,636</u>		<u>7.59 %</u>
Total revenue	\$555,229,022			\$362,472,829		

Note: Revenue includes SNWA and other various charges.

DEBT CAPACITY

- Ratios of Outstanding Debt
- Pledged Revenue Coverage
- Outstanding Direct and Overlapping General Obligation Indebtedness



**LAS VEGAS VALLEY
WATER DISTRICT™**

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Ratios of Outstanding Debt
Last Ten Fiscal Years

Table 8

Fiscal Year	General Obligation Bond Debt Excluding SNWA Secured Debt	Bond Debt Additionally Secured by SNWA Revenue	Net Revenue Bond Debt	State Revolving Fund Loans	Total Debt
2021	\$ 815,873,184	\$ 1,964,540,000	\$ 336,000	\$ 44,245,867	\$ 2,824,995,051
2020	761,222,060	1,874,170,000	504,000	46,369,428	2,682,265,488
2019	807,899,844	1,835,280,000	672,000	40,293,603	2,684,145,447
2018	845,008,518	1,923,620,000	840,000	33,630,056	2,803,098,574
2017	775,966,918	2,003,205,000	1,008,000	26,153,695	2,806,333,613
2016	808,841,432	2,066,460,000	1,176,000	3,689,827	2,880,167,259
2015	842,523,112	1,612,655,000	1,344,000	1,298,309	2,457,820,421
2014	882,772,516	1,428,120,000	1,512,000	—	2,312,404,516
2013	912,111,068	1,440,390,000	1,680,000	—	2,354,181,068
2012	943,645,471	1,091,990,000	1,848,000	—	2,037,483,471

Fiscal Year	Personal Income¹	Percent of Personal Income	Active Accounts	Per Active Account	Taxable Real Property Value²	Percent of Taxable Real Property Value
2021	\$ 110,628,465,000	2.55 %	408,542	\$ 6,915	\$ 282,851,329,011	1.00 %
2020	110,628,465,000	2.42	402,911	6,657	261,001,308,966	1.03
2019	107,995,782,190	2.49	397,336	6,755	238,970,180,206	1.12
2018	106,007,830,750	2.64	392,700	7,138	223,297,727,011	1.26
2017	97,004,050,506	2.89	387,829	7,236	211,139,223,102	1.33
2016	91,150,359,000	3.16	380,791	7,564	196,024,378,500	1.47
2015	88,411,529,000	2.78	373,080	6,588	178,020,516,265	1.38
2014	82,306,024,000	2.81	367,482	6,293	156,193,685,142	1.48
2013	77,011,227,000	3.06	360,125	6,537	153,321,893,568	1.54
2012	76,962,088,000	2.65	356,274	5,719	163,707,474,254	1.24

¹Calendar year. Source is U.S. Bureau of Economic Analysis as reported for Clark County. Personal income data for 2021 and 2020 is not available. Estimates for 2021 and 2020 are based upon 2019 data. This data subject to change.

²Neither the State nor the County Assessor maintains an official taxable or assessed valuation for the District. Because the District's boundaries encompass the County, excluding the property within the Virgin Valley Water District, the District historically has calculated its assessed valuation to be the same as the County's after deducting the Virgin Valley Water District's assessed valuation. The taxable value is derived from the assessed valuation.

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Pledged Revenue Coverage
Last Ten Fiscal Years

Table 9

	2021	2020	2019	2018	2017
Operating revenues	\$ 397,864,060	\$ 372,320,857	\$ 374,645,905	\$ 372,308,125	\$ 354,888,515
Facilities connection charge	33,131,272	17,628,602	18,185,794	16,171,119	12,241,154
Interest income on operating funds	(681,187)	20,100,740	17,218,146	2,256,661	1,042,888
Total revenues	430,314,145	410,050,199	410,049,845	390,735,905	368,172,557
Operating expenses ¹	250,157,212	276,072,659	240,742,943	255,815,010	250,732,755
Net pledged revenues	\$ 180,156,933	\$ 133,977,540	\$ 169,306,902	\$ 134,920,895	\$ 117,439,802
Average annual G.O. bond debt service	\$ 39,560,406	\$ 38,734,963	\$ 39,837,449	\$ 40,320,180	\$ 47,497,712
Coverage ²	4.55	3.46	4.25	3.35	2.47
	2016	2015	2014	2013	2012
Operating revenues	\$ 339,986,389	\$ 337,790,425	\$ 338,947,519	\$ 336,432,153	\$ 336,396,722
Facilities connection charge	13,239,500	17,657,015	11,049,850	6,867,660	2,669,480
Interest income on operating funds	2,577,164	1,265,650	1,094,644	256,072	601,416
Total revenues	355,803,053	356,713,090	351,092,013	343,555,885	339,667,618
Operating expenses ¹	243,312,822	245,997,419	252,968,239	246,358,474	253,808,618
Net pledged revenues	\$ 112,490,231	\$ 110,715,671	\$ 98,123,774	\$ 97,197,411	\$ 85,859,000
Average annual G.O. bond debt service	\$ 47,646,668	\$ 49,002,721	\$ 50,794,514	\$ 51,407,966	\$ 52,586,098
Coverage ²	2.36	2.26	1.93	1.89	1.63

¹Operating expenses exclude depreciation.

²Bond covenants require net pledged revenues to be at least one (1) times the average annual debt. Average annual debt is the aggregate debt service, excluding debt additionally secured by SNWA revenue, divided by the number of years from June 30 to the final maturity date of the indebtedness with the longest maturity. Calculations by District staff.

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Outstanding Direct and Overlapping General Obligation Indebtedness
As of June 30, 2021

Table 10

	Assessed Valuation June 30, 2021	Total General Obligation Indebtedness	Presently Self-Supporting General Obligation Indebtedness	Percent Applicable	Applicable Net Overlapping Indebtedness¹
Las Vegas Valley Water District ^{2,3}	\$ 98,997,965,154	\$ 2,767,970,867	\$ 2,767,970,867	— %	\$ —
State of Nevada ⁴	139,756,491,902	1,210,570,000	322,117,000	70.84	629,380,105
Clark County ⁵	99,962,719,089	3,842,956,029	3,837,556,029	99.03	5,347,620
Clark County School District ⁵	99,962,719,089	2,826,400,000	384,225,000	99.03	2,418,485,903
Henderson ⁶	15,050,072,012	360,745,432	334,295,432	100.00	26,450,000
Las Vegas ⁷	21,527,798,778	462,775,000	393,625,000	100.00	69,150,000
North Las Vegas ⁸	8,819,237,650	393,160,656	393,160,656	100.00	—
Las Vegas-Clark County Library District	75,177,719,020	—	—	100.00	—
					<u>\$ 3,148,813,628</u>

¹Net overlapping general obligation indebtedness equals total general obligation indebtedness less presently self-supporting general obligation indebtedness times percent applicable.

²Because the District has never levied an ad valorem property tax, neither the State nor the County Assessor maintains an official assessed valuation for the District. The District's boundaries encompass all of the County, excluding the property within the Virgin Valley Water District. Accordingly, the District has calculated its assessed valuation by deducting the assessed valuation of the Virgin Valley Water District from the County's assessed valuation.

³The District has no legal debt limit per se. The District's debt margin is a function of balancing capital outlay needs and market acceptance for its debt at competitive interest rates.

⁴Assessed value excludes Statewide Redevelopment Agency assessed valuation in the amount of \$4,567,271,105.

⁵Assessed value excludes \$3,686,323,049 for the Clark County, Las Vegas, North Las Vegas, Henderson, Mesquite and Boulder City Redevelopment Agencies.

⁶Assessed value excludes \$1,289,621,740 for the Henderson Redevelopment Agency.

⁷Assessed value excludes \$1,422,195,394 for the Las Vegas Redevelopment Agency.

⁸Assessed value excludes \$117,442,725 for the North Las Vegas Redevelopment Agency.

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DEMOGRAPHIC AND ECONOMIC INFORMATION

- Demographic and Economic Information
- Employment by Industry Sector
- Ten Largest Property-Ownning Taxpayers



**LAS VEGAS VALLEY
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LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Demographic and Economic Information in Clark County, Nevada¹
Last Ten Calendar Years

Table 11

Calendar Year	Population²	Per Capita Income³	Median Household Income⁴	Weighted Enrollment/ School Enrollment⁵	Total Labor Force Thousands⁶	U.S. Unemployment Rate⁷
2020	2,315,963	N/A	\$54,879	315,027	1,112.0	8.1%
2019	2,293,391	\$48,806	51,313	317,306	1,038.4	3.7
2018	2,251,175	47,759	48,977	319,311	1,098.1	3.9
2017	2,193,818	45,798	47,610	309,965	1,069.5	4.4
2016	2,166,181	43,950	43,950	307,974	1,046.1	4.9
2015	2,118,353	43,028	43,603	306,832	1,034.0	5.3
2014	2,069,450	40,552	51,214	314,598	1,019.5	6.2
2013	2,031,723	38,423	51,057	311,218	1,004.3	7.4
2012	1,988,195	38,562	49,546	308,377	999.5	8.1
2011	1,967,722	36,531	48,215	309,899	995.1	8.9

¹All data is subject to revision. The abbreviation "N/A" means not available.

²Population as of July 1. Source: 2020 data is from the U.S. Bureau of the Census (estimated); all other figures from the Nevada State Demographer.

³Source: US Department of Commerce, Bureau of Economic Analysis

⁴Source: The Nielsen Company, *Site Reports*, 2010-2017; and Claritas, 2018-2020 Environics Analytics (EA)

⁵Source: Clark County School District Senate Bill 508, passed in the 2015 legislative session, changed the Distributive School Account reporting from a single annual official count day to a quarterly Average Daily Enrollment ("ADE"). The annual ADE reporting days are October 1, January 1, April 1, and July 1. ADE represents the District's total number of pupils enrolled in and scheduled to attend school divided by the number of days school is in session for that quarter. Values shown in years 2015 through 2020 represent weighted enrollment. Years 2011 through 2014 represent actual student enrollment counts in the 4th week of the school year.

⁶Source: Research and Analysis Bureau, Nevada Department of Employment, Training and Rehabilitation

⁷Source: U.S. Bureau of Labor, Bureau of Labor Statistics

LAS VEGAS VALLEY WATER DISTRICT

Enterprise Fund (Unaudited)

Employment by Industry Sector in the Las Vegas Metropolitan Area¹
June 30, 2021 and 2012

Table 12

Industry Sector	<u>June 30, 2021</u>		<u>June 30, 2012</u>	
	Employees (In Thousands)		Employees (In Thousands)	
Leisure and hospitality	223.9	23.6 %	266.2	32.2 %
Trade, transportation, and utilities	198.2	20.8	153.2	18.5
Professional and business services	142.3	15.0	106.7	12.9
Education and health services	104.1	10.9	75.4	9.1
Government	95.7	10.1	91.4	11.1
Construction	67.5	7.1	37.0	4.5
Financial activities	51.6	5.4	41.9	5.1
Other services	32.9	3.5	24.6	3.0
Manufacturing	24.9	2.6	20.5	2.5
Information technology	9.2	1.0	9.5	1.1
Mining and logging	0.4	—	0.3	—
Total nonfarm payrolls	950.7	100.0 %	826.7	100.0 %

¹Source: U.S. Bureau of Labor Statistics for the metropolitan statistical area of Las Vegas-Henderson-Paradise, Nevada. In the past, the Nevada Department of Employment, Training, and Rehabilitation (DETR) compiled a list of the top employers in Clark County. In fiscal year 2019, DETR stopped providing this information and the top employers list is not available from another reliable source. Therefore, the information above is intended to provide the reader with alternate data to consider customer concentration risk.

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Ten Largest Property-Owning Taxpayers in Clark County, Nevada¹
Fiscal Year Ended June 30, 2021

Table 13

Taxpayer²	Taxable Assessed	Taxable Appraised
1. MGM Resorts International	\$ 3,341,076,734	\$ 9,545,933,525
2. Caesars Entertainment Corporation	1,871,780,926	5,347,945,504
3. NV Energy	1,797,492,697	5,135,693,420
4. Las Vegas Sands Corporation	1,122,130,007	3,206,085,734
5. Wynn Resorts Limited	894,979,174	2,557,083,353
6. The Blackstone Group	886,545,352	2,532,986,719
7. Station Casinos Limited Liability Company	868,278,915	2,480,796,901
8. Howard Hughes Corporation	519,706,857	1,484,876,733
9. Ruffin Companies	461,330,605	1,318,087,444
10. Boyd Gaming Corporation	456,065,295	1,303,043,699

¹Includes the five incorporated cities.

²Some taxpayers are hotel/casinos that may have multiple properties.

SOURCE: Nevada Department of Taxation, Division of Local Government, *Ten Highest Assessed Taxpayers Statewide and All Counties, 2020-2021 Secured Roll/2019-2020 Unsecured Roll*.

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OPERATING INFORMATION

- Authorized Full-Time Equivalent Employees by Department
- Water Production by Month
- Pumpage from Wells by Month
- Surface Water by Month - SNWS
- Water Production Maximum and Minimum Days by Month
- Water Delivered by the Southern Nevada Water System Annually
- Capital Asset Statistics
- Schedule of Insurance



**LAS VEGAS VALLEY
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LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Authorized Full-Time Equivalent Employees by Department
Last Ten Fiscal Years¹

Table 14

Department	Fiscal Year Ended June 30									
	2021	2020 ³	2019	2018	2017	2016	2015	2014 ²	2013	2012
Executive Management	15.0	12.0	14.0	13.0	12.0	14.0	14.0	14.0	16.0	15.0
Customer Care & Field Services	175.0	174.0	174.0	173.0	174.0	178.0	165.0	168.0	179.0	176.0
Environmental, Health, Safety, & Corporate Security	114.0	77.0	77.0	77.0	49.0	49.0	49.0	50.0	55.0	55.0
Energy Management	5.0	5.0	6.0	6.0	6.0	6.0	6.0	5.0	7.0	7.0
Engineering	127.0	109.0	109.0	105.0	102.0	108.0	103.0	103.0	267.0	269.0
Finance	49.0	50.0	50.0	51.0	77.0	109.0	108.0	108.0	132.0	133.0
Human Resources	30.0	29.0	29.0	27.0	25.0	21.0	18.0	24.0	29.0	30.0
Information Technology	147.0	145.0	145.0	142.0	141.0	118.0	119.0	110.0	134.0	134.0
Infrastructure Management	176.0	91.0	91.0	89.0	88.0	84.0	80.0	74.0	—	—
Legal Services	11.0	17.0	15.0	15.0	16.0	25.0	18.0	18.0	11.0	10.0
Operations	260.0	249.0	249.0	247.0	243.0	243.0	259.0	342.0	411.5	512.0
Public Services	117.0	114.0	114.0	111.0	104.0	100.0	95.0	91.0	113.0	113.0
Resources & Facilities	—	145.0	144.0	144.0	142.0	146.0	142.0	86.0	122.5	23.0
Risk Management	6.0	—	—	—	—	—	—	—	—	—
Water Quality & Treatment	95.0	97.0	97.0	96.0	95.0	96.0	95.0	95.0	103.5	103.5
Water Resources	87.0	50.0	48.0	43.0	43.0	—	—	—	—	—
Unfunded positions	166.5	216.5	218.5	241.5	263.5	283.5	309.5	292.5	—	—
Total	1,580.5	1,580.5	1,580.5	1,580.5	1,580.5	1,580.5	1,580.5	1,580.5	1,580.5	1,580.5

¹Throughout the years, there have been various department and organization changes. The table attempts to apply the organizational changes retroactively for comparison purposes for fiscal year 2019 and prior.

²Departmental restructuring in FY 2014 involved a reduction in workforce, the consolidation of Engineering, and a new department, Infrastructure Management.

³FY 2020 restated from prior year reporting.

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Water Production by Month
Last Ten Calendar Years¹

Table 15

(MILLIONS OF GALLONS - EXCLUDES ARTIFICIAL RECHARGE, INCLUDES REUSE)

Month	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
January	6,591	6,512	6,741	6,059	6,108	6,078	6,387	6,103	6,143	5,972
February	6,301	6,285	6,324	5,626	6,243	5,856	5,999	5,746	5,924	5,649
March	6,798	7,216	7,674	7,856	7,979	7,643	7,773	7,604	7,535	7,557
April	7,381	8,488	8,880	8,692	8,037	8,685	8,558	8,404	8,318	8,245
May	10,214	9,658	10,746	10,883	9,480	9,995	10,674	10,847	11,085	10,136
June	11,355	10,984	12,029	12,130	11,833	11,471	11,786	12,116	12,039	11,394
July	12,792	12,567	12,725	13,178	12,868	12,391	12,293	12,680	12,476	12,390
August	12,787	12,626	12,979	12,700	12,699	12,305	11,543	12,019	11,692	12,519
September	11,005	10,876	11,438	10,830	10,833	10,786	10,069	9,735	10,297	10,486
October	9,779	9,524	9,789	9,793	9,150	9,089	9,332	9,012	8,875	8,751
November	7,466	7,774	7,847	7,847	7,648	7,226	7,235	6,865	7,211	6,918
December	6,721	6,318	6,865	7,128	6,567	6,437	6,178	6,103	6,243	6,109
Total	109,189	108,828	114,037	112,722	109,445	107,962	107,827	107,234	107,838	106,126
Total Acre Feet	335,088	333,987	349,966	345,930	335,871	331,324	330,909	329,089	330,943	325,689

¹Total of pumpage from wells and surface water, plus or minus reservoir changes, reuse and excluding artificial recharge.

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Pumpage from Wells by Month
Last Ten Calendar Years

Table 16

(MILLIONS OF GALLONS)

Month	2020		2019		2018		2017		2016	
	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily
January	—	—	—	—	—	—	82	3	—	—
February	—	—	—	—	—	—	73	3	—	—
March	34	1	10	—	—	—	82	3	—	—
April	126	4	1,605	53	46	2	69	2	—	—
May	232	7	1,780	57	366	12	379	12	681	22
June	1,702	57	1,705	57	2,972	99	2,931	98	3,138	105
July	1,721	56	1,830	59	3,083	99	3,174	102	3,071	99
August	1,815	59	1,637	53	3,147	102	3,110	100	3,125	101
September	2,053	68	504	17	2,975	99	2,888	96	3,019	101
October	2,034	66	—	—	311	10	324	10	171	6
November	1,893	63	—	—	340	11	201	7	7	—
December	1,631	53	—	—	—	—	—	—	68	2
Total	13,241	36	9,071	25	13,240	36	13,313	36	13,280	36

Total Acre Feet	40,641		27,834		40,632		40,859		40,755
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Month	2015		2014		2013		2012		2011	
	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily
January	447	14	522	17	—	—	—	—	—	—
February	340	12	391	14	—	—	—	—	—	—
March	—	—	221	7	—	—	—	—	—	—
April	—	—	—	—	—	—	—	—	—	—
May	259	8	257	8	1,030	33	752	24	696	22
June	2,816	94	3,095	103	3,216	107	3,140	105	3,137	105
July	2,886	93	3,206	103	3,016	97	3,050	98	3,321	107
August	2,878	93	3,022	97	2,721	88	2,926	94	3,236	104
September	1,922	64	2,556	85	2,837	95	3,297	110	2,900	97
October	544	18	364	12	540	18	—	—	—	—
November	593	20	435	15	512	17	—	—	—	—
December	519	17	449	14	531	18	—	—	—	—
Total	13,204	36	14,518	40	14,403	39	13,165	36	13,290	36

Total Acre Feet	40,522		44,554		44,201		40,402		40,786
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LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Surface Water by Month
Southern Nevada Water System
Last Ten Calendar Years

Table 17

(MILLIONS OF GALLONS - EXCLUDES ARTIFICIAL RECHARGE, INCLUDES REUSE)

Month	2020		2019		2018		2017		2016	
	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily
January	6,591	213	6,512	210	6,741	217	5,977	193	6,108	197
February	6,301	217	6,285	224	6,324	226	5,553	198	6,243	215
March	6,764	218	7,206	232	7,674	248	7,774	251	7,979	257
April	7,255	242	6,883	229	8,834	294	8,623	287	8,037	268
May	9,982	322	7,879	254	10,380	335	10,503	339	8,798	284
June	9,653	322	9,279	309	9,057	302	9,199	307	8,695	290
July	11,071	357	10,737	346	9,642	311	10,004	323	9,798	316
August	10,971	354	10,989	354	9,832	317	9,591	309	9,574	309
September	8,952	298	10,373	346	8,463	282	7,942	265	7,814	260
October	7,744	250	9,524	307	9,478	306	9,469	305	8,979	290
November	5,573	186	7,774	259	7,507	250	7,645	255	7,640	255
December	5,089	164	6,318	204	6,864	221	7,128	230	6,499	210
Total	95,946	262	99,760	273	100,796	276	99,408	272	96,164	263

Month	2015		2014		2013		2012		2011	
	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily
January	5,548	179	5,865	189	6,103	197	6,143	198	5,972	193
February	5,428	194	5,608	200	5,746	205	5,924	212	5,649	202
March	7,577	244	7,552	244	7,604	245	7,535	243	7,557	244
April	8,565	286	8,558	285	8,404	280	8,318	277	8,245	275
May	9,576	309	10,417	336	9,818	317	10,333	333	9,440	305
June	8,614	287	8,691	290	8,900	297	8,899	297	8,257	275
July	9,395	303	9,087	293	9,665	312	9,426	304	9,069	293
August	9,243	298	8,521	275	9,298	300	8,766	283	9,283	299
September	8,752	292	7,513	250	6,899	230	7,000	233	7,587	253
October	8,317	268	8,968	289	8,472	273	8,875	286	8,751	282
November	6,556	219	6,800	227	6,353	212	7,211	240	6,918	231
December	5,844	189	5,729	185	5,572	180	6,243	201	6,109	197
Total	93,415	256	93,309	255	92,834	254	94,673	259	92,837	254

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Water Production
Maximum and Minimum Days by Month
Last Ten Calendar Years

Table 18

(MILLIONS OF GALLONS)

Month	2020		2019		2018		2017		2016	
	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.
January	238.0	186.0	228.0	189.0	234.4	194.4	213.0	181.1	213.2	163.0
February	238.0	187.0	216.0	182.0	240.7	203.9	213.9	176.0	253.7	189.1
March	256.0	176.0	277.0	187.0	282.0	194.9	280.8	201.2	276.7	209.8
April	305.3	175.3	319.0	225.0	335.8	226.4	319.4	230.7	298.0	197.0
May	380.4	228.7	346.0	232.0	378.5	275.2	383.7	274.3	350.9	209.2
June	423.1	259.5	414.0	258.0	433.4	305.5	445.2	324.1	423.5	324.5
July	446.9	285.6	438.0	292.0	443.9	314.3	451.8	356.9	440.0	338.4
August	444.7	288.7	436.0	295.0	438.6	334.5	427.6	335.9	431.5	339.6
September	420.8	255.7	413.0	258.0	410.8	297.3	413.3	281.5	400.4	289.8
October	361.7	227.0	340.0	232.0	366.6	242.1	347.1	249.8	335.8	240.0
November	312.7	190.6	288.0	191.0	305.5	208.7	299.9	215.4	280.1	209.8
December	242.4	182.7	219.0	181.0	241.4	194.6	245.6	199.5	239.0	172.6

Average daily production

298.33 294.09 309.40 308.83 299.80

Maximum daily production

446.87 438.00 443.90 451.80 440.00

Month	2015		2014		2013		2012		2011	
	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.
January	213.1	176.8	217.2	182.4	211.7	178.1	212.1	175.8	213.6	175.7
February	230.0	179.2	235.1	187.7	222.8	169.7	215.8	173.1	219.6	169.8
March	290.1	188.7	277.9	185.5	275.3	188.0	265.0	182.9	265.3	191.6
April	308.2	228.6	309.8	225.0	326.0	233.8	315.6	199.6	296.2	207.0
May	354.7	270.1	376.1	270.8	371.8	276.8	378.3	279.9	348.9	238.4
June	417.2	309.5	415.4	324.5	429.8	324.8	412.6	336.2	406.7	303.3
July	416.6	348.0	421.4	347.8	437.0	335.5	420.6	325.7	405.6	319.9
August	410.4	345.7	400.7	321.8	412.6	309.4	413.1	296.4	409.3	345.4
September	384.5	296.7	379.9	260.0	348.6	270.8	378.7	276.7	402.8	270.2
October	346.2	241.8	322.9	247.9	331.4	239.8	331.8	223.1	319.8	230.8
November	292.6	199.3	281.3	197.5	276.0	185.0	274.8	200.2	272.0	192.8
December	227.1	174.6	232.6	176.7	218.5	178.3	231.7	176.9	215	171.9

Average daily production

295.80 295.40 293.79 295.45 290.76

Maximum daily production

417.20 421.40 437.00 420.60 409.30

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Annual Treated Water Delivered by
the Southern Nevada Water System
Last Ten Fiscal Years

Table 19

(ACRE FEET)

Fiscal Year	City of Boulder City	City of Henderson	Las Vegas Valley Water District	Nellis Air Force Base	City of North Las Vegas	Total Deliveries
2021	10,921	82,330	300,123	1,029	60,917	455,320
2020	10,001	70,507	315,031	1,004	56,572	453,115
2019	9,848	71,651	292,273	1,118	51,869	426,759
2018	10,731	75,248	306,302	1,202	51,456	444,939
2017	10,496	69,224	298,110	1,213	51,476	430,519
2016	10,458	65,284	287,374	1,044	49,569	413,729
2015	10,378	64,167	280,195	1,008	44,934	400,682
2014	10,688	61,890	280,417	1,097	46,459	400,551
2013	10,280	62,127	284,196	1,088	44,414	402,105
2012	10,514	63,450	284,662	1,069	48,120	407,815

SOURCE: Southern Nevada Water Authority

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Selected Capital Asset Statistics
Last Ten Fiscal Years
Fiscal Year Ended June 30,

Table 20

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Miles of pipeline	6,934	6,892	6,653	6,589	6,518	6,432	6,354	6,284	6,236	6,208
Active wells ¹	76	64	64	64	64	64	63	63	63	63
Reservoirs/tanks	43	41	77	40	38	38	38	38	38	38
Pumping stations	53	54	54	54	52	52	52	52	52	52

¹Excludes recharge wells.

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Schedule of Insurance
As of June 30, 2021

Table 21

Type of Coverage and Name of Company	Policy Number	Expiration Date	Details of Coverage
Commercial Property American Home Assurance Company (AIG)	18258107	5/1/2022	All Risks of Direct Physical Loss or Damage including Earth Movement, Flood and Equipment Breakdown subject to policy exclusions. Covered Property includes Real and Personal Property, Improvements and Betterments, Extra Expense, Business Interruption all as per policy form. Policy Limit: \$500,000,000 Sub-Limits: (including but not limited to and unless otherwise scheduled) <i>Earth Movement</i> - \$100,000,000 Annual Aggregate <i>Flood</i> - \$50,000,000 Annual Aggregate \$25,000,000 Annual Aggregate for all covered loss or damage arising out of flood in a Special Flood Hazard Area <i>Named Storm</i> - \$500,000,000 <i>Equipment Breakdown</i> - \$500,000,000 Deductible: \$1,000,000 with the following exceptions: <i>Flood</i> - \$100,000 per occurrence, except five percent of total insurable values for locations within special hazard flood zone (as defined in the policy) subject to a minimum of \$100,000; and except \$50,000 as respects Builder's Risk locations. <i>Earth Movement</i> - \$1,000,000 per occurrence except \$500,000 per occurrence as respects Builder's Risk locations. <i>Windstorm/Hail</i> - \$1,000,000 per occurrence except 5 percent of total insurable values at each location as respects Named Storm (as defined in the policy) subject to a minimum of \$250,000.
Terrorism BMS Group, Ltd.	B128419914W20	5/1/2022	Subject to the Exclusions, Limits and Conditions hereinafter contained, this insurance insures property against physical loss or physical damage occurring during the Period of this policy caused by an Act of Terrorism or Sabotage and ensuing fire loss or damage at scheduled locations, as herein defined. For the purpose of this insurance, an Act of Terrorism means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes. For the purpose of this insurance, an Act of Sabotage means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes. Policy Limit: \$250,000,000 Deductible: \$10,000

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Schedule of Insurance
As of June 30, 2021

Table 21

Type of Coverage and Name of Company	Policy Number	Expiration Date	Details of Coverage
Excess Liability Primary Vantapro Specialty Insurance Company/Allied World National Assurance Company	5155-0027-01 5111-0044-05	5/1/2022	Excess Liability coverage for Las Vegas Valley Water District, Southern Nevada Water Authority, Big Bend Water District, Blue Diamond Water System, Coyote Springs Water Resource District, Jean Water System, Kyle Canyon Water District, Searchlight Water System, and The Springs Preserve. \$10,000,000 Per Occurrence for GL; \$10,000,000 Each Wrongful Act Public Officials Liability; \$5,000,000 Each Wrongful Act Employment Practices Liability; \$10,000,000 Each Accident Auto Liability; \$10,000,000 Each Occurrence Employers Liability; Aggregates: Excess Liability \$30,000,000; Employment Practices Liability \$12,000,000 Retention: \$1,000,000 EXCEPT \$5,000,000 Employment Practices Liability Retroactive dates: Public Official Liability - Full Prior Acts; Employment Practices - 5/1/1997;
Excess Liability - 2nd Layer Follow Form HDI Specialty	IU35X000009-01	5/1/2022	Excess Liability coverage for Las Vegas Valley Water District, et al. \$10,000,000 Per Occurrence; \$10,000,000 Aggregate
Employment Practices Liability National Union Fire Insurance	01-233-99-69	5/1/2022	Employment Practices Liability for Las Vegas Valley Water District \$5,000,000 Each Wrongful Act Retention: \$250,000 Continuity Date: 5/1/1997
Excess Workers Compensation and Employers Liability Arch Insurance Group	WCX0066543-00	5/1/2022	Excess Workers' Compensation coverage for Las Vegas Valley Water District Maximum Limit of Indemnity Per Occurrence – Statutory; Employers' Liability Maximum Limit of Indemnity Per Occurrence \$2,000,000; Retention per occurrence \$750,000 All Other EXCEPT \$1,000,000 USLH; \$1,000,000 Maritime or Jones Act
Boat Hull and Protection & Indemnity Navigators	SF20CFTZ04YW901	5/1/2022	Ocean Marine for Las Vegas Valley Water District Insuring 2019 32' Munsom Boat 2 Yamaha Diesel Engines 300HP – Hull & Machinery Limit \$400,000; Protection & Indemnity limit \$1,000,000 Deductible: \$3,600 Hull and \$500 P&I

LAS VEGAS VALLEY WATER DISTRICT
Enterprise Fund (Unaudited)
Schedule of Insurance
As of June 30, 2021

Table 21

Type of Coverage and Name of Company	Policy Number	Expiration Date	Details of Coverage
Cyber Liability XL Catlin / Indian Harbor Insurance Co.	MTP9033486 05	5/1/2022	Cyber Liability for Las Vegas Valley Water District Third Party: Privacy Cyber Security \$5,000,000 Each Claim; Privacy Regulatory Defense, Awards and Fines \$5,000,000 Each Claim; Media \$5,000,000 Each Claim; First Party: Business Interruption & Extra Expense \$5,000,000 Each Claim; Data Recovery \$5,000,000 Each Claim; Cyber Extortion and Ransomware \$2,500,000 Each Claim; Data Breach Response and Crisis Management \$5,000,000 Each Claim; Business Interruption & Extra Expense: Systems Failure \$5,000,000 Each Claim; Dependent Business Interruption \$5,000,000 Each Claim; Dependent Business Interruption System Failure \$1,000,000 Each Claim; Aggregate: \$5,000,000 Combined Policy Retention: \$100,000 EXCEPT Business Income 10 Hours Retroactive Date: Full Prior Acts
Cyber Liability - 2nd Layer Crum & Forster Specialty Insurance Co	CYB-101838	5/1/2022	Excess Cyber Liability coverage Las Vegas Valley Water District \$5,000,000 Per Occurrence \$2,500,000 Ransomware Loss
Crime Travelers Casualty & Surety Company of America	106728245	5/1/2022	Crime for Las Vegas Valley Water District, et al. \$3,000,000 Per Loss Employee Theft; \$3,000,000 Per Employee; \$3,000,000 Forgery or Alteration; \$3,000,000 On Premises; \$3,000,000 in Transit; \$3,000,000 Money Orders and Counterfeit Money; \$3,000,000 Computer Fraud; \$100,000 Computer Program and Electronic Data Restoration Expense; \$3,000,000 Funds Transfer Fraud; \$25,000 Claims Expense Deductible: \$50,000 EXCEPT \$25,000 Computer Program and Electronic Data Restoration Expense; \$0 Claims Expense
Remediation Pollution & Legal Liability	PEC0051795	4/9/2022	\$5,000,000 Each Pollution Condition and Aggregate; \$5,000,000 Remediation Legal Liability; \$5,000,000 Legionella Coverage; \$500,000 Disaster Response Expense; \$5,000,000 BI/EE; \$5,000,000 Contractor's Pollution Legal Liability – Job Site; \$5,000,000 Emergency Remediation Expense. Job Site Retroactive Date: April 9, 2018 NODS Retroactive Date: April 9, 2018 Contractor's Pollution Legal Liability Retroactive Date: April 9, 2018

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



**LAS VEGAS VALLEY
WATER DISTRICT™**

**Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

Board of Directors
Las Vegas Valley Water District
Las Vegas, 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 fiduciary activities of the Las Vegas Valley Water District (the District), a discretely presented component unit of Clark County, Nevada, which comprise the statement of financial position as of June 30, 2021, 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 14, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered 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 basic 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 basic 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 have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether District's basic 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 basic 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.

TBDO USA, LLP

October 14, 2021