



**LAS VEGAS VALLEY
WATER DISTRICT®**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

A DISCRETELY PRESENTED COMPONENT UNIT OF CLARK COUNTY, NEVADA
FOR FISCAL YEARS ENDED JUNE 30, 2022 AND 2021



With Lake Mead's water levels continuing to drop due to an unprecedented drought, one of the best things residents can do to conserve is to convert grass to desert landscaping. Las Vegas Valley Water District customers can participate in the Southern Nevada Water Authority's Water Smart Landscapes program, which currently pays participants \$3 per sq. ft. of grass converted. Residents Paul and Kristy Crawford participated in the program in 2018 by converting 1,806 sq. ft., giving them an annual savings of approximately 99,330 gallons of water. Learn more at **lvvwd.com**.



LAS VEGAS VALLEY WATER DISTRICT™

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

Fiscal Years Ended June 30, 2022 and 2021

John J. Entsminger
General Manager

E. Kevin Bethel
Chief Financial Officer

Marliese S. Horsewood
Director of Finance/Controller

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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
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October 18, 2022

To the Board of Directors
and customers:

We are pleased to present the Las Vegas Valley Water District's (District) Annual Comprehensive Financial Report (Annual Report) for the fiscal year ended June 30, 2022. 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. Baker Tilly US, LLP has audited the District's basic financial statements as of and for the fiscal years ended June 30, 2022 and 2021. 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, 2022 and 2021 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, 2022 and 2021 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 Annual Comprehensive 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.

LVVWD CI, Inc. (LVVWD CI) was established as of January 1, 2022 to act as a captive insurance company for the District and is a blended component unit because LVVWD CI exclusively benefits the District and District management has operational responsibility for this component unit. LVVWD CI was formed to advance long-term risk management program strategies through the use of a formalized self-insurance program that can access the reinsurance markets. LVVWD CI provides retention for worker's compensation, general/auto liability, public officials liability, cyber liability, employment practices, and property.

The District's organizational structure has evolved to meet the demands of major water facility expansions, conservation, customer service initiatives and special projects. The District's departments and divisions routinely assess existing structure to provide more efficiencies and better customer service experiences.

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 412,800 customer accounts.

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

- over 7,000 miles of pipeline
- 42 reservoirs
- 54 pumping stations
- almost 1.3 billion gallons of storage capacity
- 64 production/recharge wells
- More than 420,000 water meters

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

Although much of the District's water system is relatively new, various components are more than 50 years old and reaching the end of their useful lives. Approved in 2017, the District's Capital Improvement Plan (CIP) sets forth the capital investments needed to maintain a reliable water supply and meet water quality standards. The plan anticipates expending \$616 million dollars over a 10-year period, with more than half of those dollars needed for asset management activities and maintaining existing system infrastructure. These activities include reservoir and pumping station maintenance, replacement and renewal of vaults and valves, service lateral replacements and cyclical water meter replacement.

The CIP was informed by recommendations made by a citizens committee convened in 2016 to evaluate the District's current practices, levels of asset maintenance and repairs, and future facility needs. The committee was comprised of stakeholders representing a variety of community interests, including business, finance, resorts, ratepayers and environmental. Together, they met to evaluate the issues affecting the District and made a series of recommendations related to asset management levels, future facilities, water quality issues and a funding plan to support implementation of their recommendations. Ultimately, their recommendations were subsequently approved by the District's Board of Directors, which set forth development of the CIP and a sustainable water rate increase. The CIP, informed by the committee's recommendations, focused on three major efforts: asset management, water quality protection and new facilities.

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 in 2022 and 2023. According to a report from the University of Nevada, Las Vegas' Center for Business and Economic Research issued in April 2022, the economy is expected to show significant improvement over the next two years.

- Southern Nevada population will grow at 1.8 percent in 2022 and 2.0 percent in 2023.
- Employment will grow at 5.3 percent in 2022 and 4.4 percent in 2023.
- Visitor volume will grow at 20 percent in 2022 and decline 1.9 percent in 2023.
- Gross gaming revenue will grow at 9.9 percent in 2022 and decline 0.9 percent in 2023.
- Current economic indicators for Las Vegas suggest most areas are improving and some are doing very well.
- Unemployment declined slightly from 8.4 percent in July 2021 to 5.6 percent in July 2022. Unemployment had a significant 15.6 percent decline from the same period two years ago, which was heavily impacted by COVID-19.
- Visitor volume was 3.5 million in July 2022, an increase of nearly 200,000 visitors from the same time in the prior year. After declining to 0.1 million in April 2020, it has recovered to 95 percent of what it was in July 2019.
- Gaming revenues averaged nearly a billion dollars per month in May, June, and July 2022. This is about the same as 2021 during the same months.
- Approximately 307,000 people attended conventions in July 2022. This is a recovery of 55 percent from the March 2019 to February 2020 monthly average. It has been slow to recover.
- Taxable sales in Clark County were \$5.4 billion in June 2022, which is an increase of 11.1 percent over June 2021 and an increase of 31.6 percent over June 2019.

Factors that could negatively impact current forecasts include recently experienced high inflation which erodes purchasing power, concerns over a possible recession, both of which can lead to slower economic recoveries to Clark County's tourism industry. Other events that could have an impact on current forecasts are labor shortages, global supply disruptions, and the ongoing Russia-Ukraine War.

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.

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.

As discussed earlier, a citizens committee was appointed with the purpose of evaluating issues affecting the District and making recommendations to inform the organization's long-term operations and revenues. Their recommendations included increases to tier consumption rates and service charges that aligned with inflationary indexes into the future that will help fund the District's operating and capital needs over the remaining planning horizon of the 10-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. Revenues generated from these SNWA charges help to fund debt service on SNWA bond obligations and future regional infrastructure.

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 evaluates, on an ongoing basis, opportunities to improve efficiencies and performance through major initiatives. The following were major initiatives for fiscal year 2022 unless otherwise indicated:

- As a protracted drought continues through the Colorado River Basin, water conservation remains a top priority for the District. As a member of the Southern Nevada Water Authority, the District is working with its customers to reduce water use throughout its service area. These efforts include increasing the number of water waste investigations, increasing compliance with the watering schedule and updating its Service Rules to reduce and eliminate non-essential water uses such as fountains.

- Approved in 2021, the SNWA's 2021 Water Resource Plan included an updated and more aggressive conservation goal for the community of 86 gallons per capita per day. The plan also outlined a number of key actions to reduce the community's water use to meet the goal. Some of those efforts are already underway such as increased asset management efforts to reduce water losses. Others are currently being implemented, such as reduced Golf Course Water Budgets, limiting pool sizes and addressing evaporative cooling. The District, in concert with other regional entities, is updating its Service Rules to reflect a community-wide commitment to water conservation and sustainability.
- In an effort to reduce non-essential water uses at residential properties, the District recently adjusted its water rates to add an additional surcharge for water used above specific thresholds that change throughout the watering seasons. This excessive use surcharge is intended to target the top 10 percent of residential water users through water rates.
- The District is in the process of implementing Advanced Metering Infrastructure (AMI) and software. The AMI system, coupled with the new Oracle Customer to Meter (C2M) application, 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.

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.

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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. 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 43 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 28 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 Frost & Sullivan *Excellence in Resourcefulness Award* recognized the District’s efforts to minimize the impact of climate change by improving its overall water management operations, proactively identifying leaks by leveraging new technology and expanding its service capabilities for its customers.

The District also received the American Water Works Association's National Safety Award for displaying a strong five-year safety record, as well as health, safety and training programs that show a commitment to best practices.

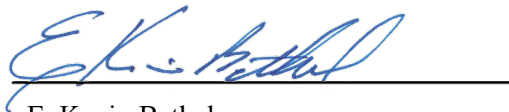
Forbes Magazine recognized the District as one of America's best mid-size employers in 2022.

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

Sincerely,



John J. Entsminger
General Manager



E. Kevin Bethel
Chief Financial Officer

LAS VEGAS VALLEY WATER DISTRICT
List of Principal Officials
As of October 18, 2022

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

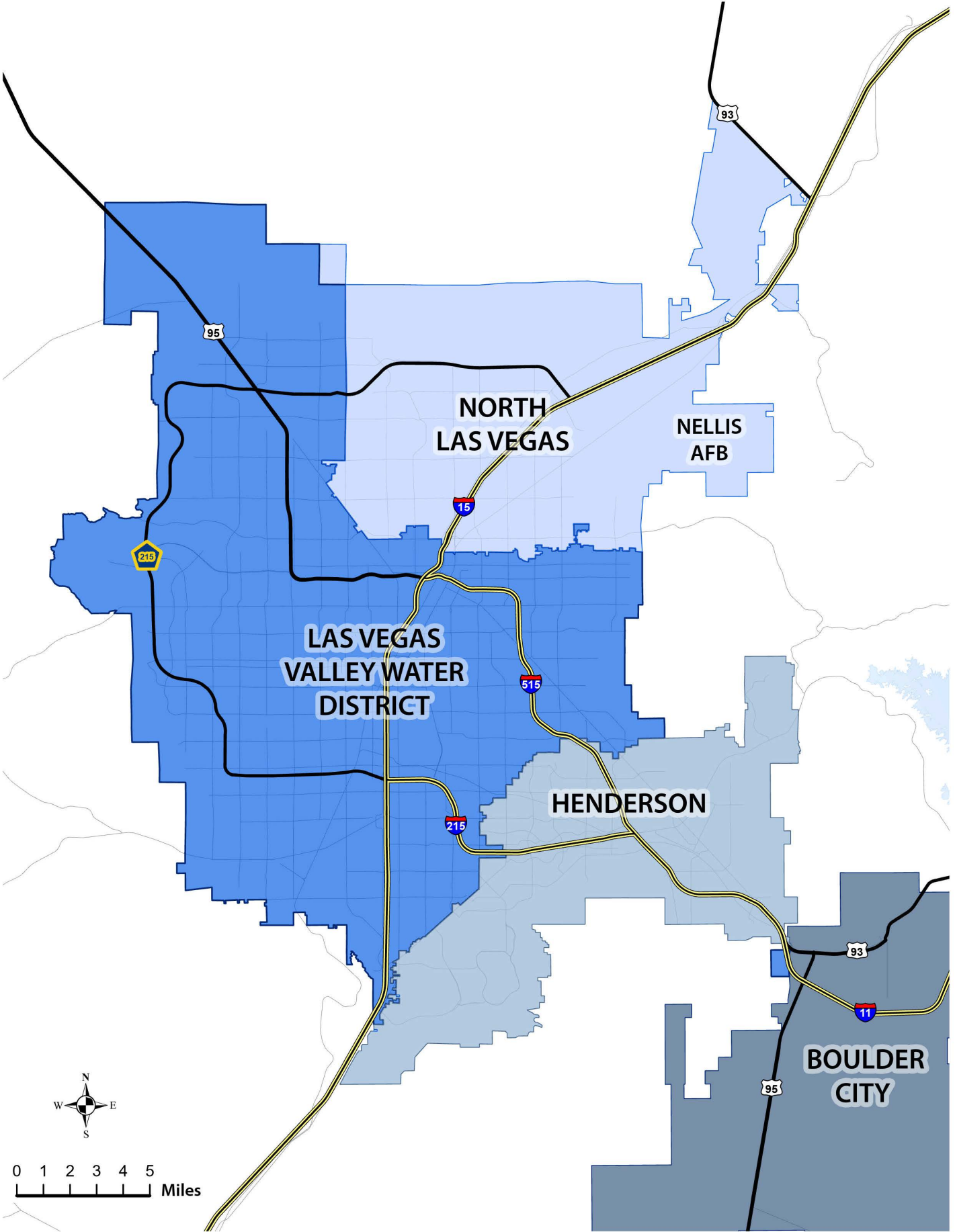


E. Kevin Bethel
Chief Financial
Officer

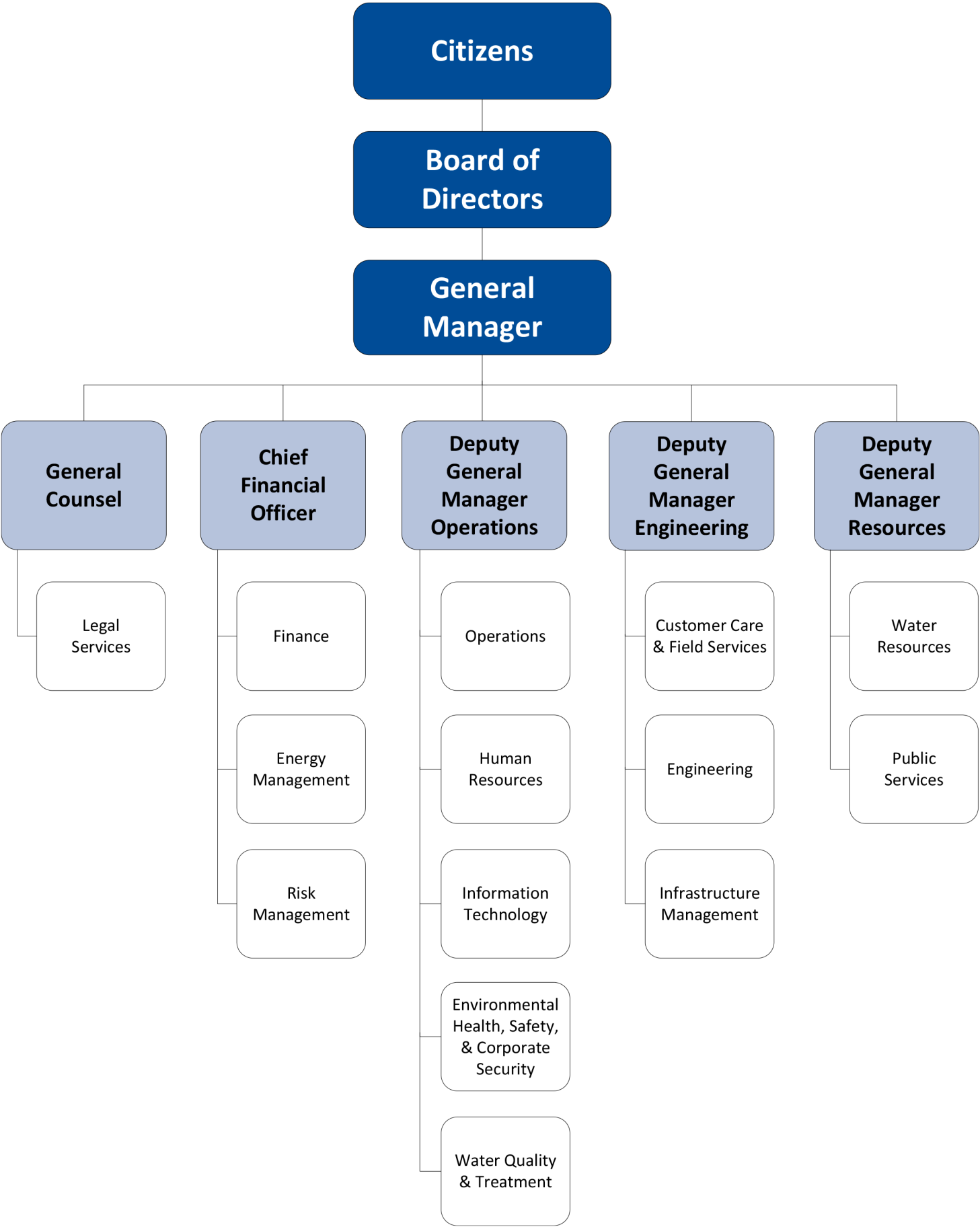


Gregory J. Walch
General Counsel

LAS VEGAS VALLEY WATER DISTRICT
Map of Service Area
As of June 30, 2022



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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrell

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

To the Board of Directors of
Las Vegas Valley Water District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and 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 year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and fiduciary activities of the District as of June 30, 2022, and the changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the District component unit and do not purport to and do not, present fairly the financial position of Clark County, Nevada, as of June 30, 2022 and the changes in financial position or cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

As discussed in Note 1, the District adopted the provisions of GASB Statement No. 87, *Leases*, effective July 1, 2021. Our opinions are not modified with respect to this matter.

Other Matter

The financial statements of the District as of and for the year ended June 30, 2021, prior to restatement, were audited by other auditors whose report dated October 14, 2021, expressed unmodified opinions on those financial statements.

As part of the audit of the June 30, 2022, financial statements, we also audited the adjustment described in Note 1 that was applied to restate the June 30, 2021, financial statements. In our opinion, such adjustment is appropriate and has been properly applied. We were not engaged to audit, review or apply any procedures to the June 30, 2021, financial statements of the District other than with respect to the adjustment and, accordingly, we do not express an opinion or any other form of assurance on the June 30, 2021, financial statements as a whole.

Responsibilities of Management for the Financial Statements

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

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

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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 GAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information for the year ended June 30, 2022, is fairly stated in all material respects, in relation to the financial statements as a whole.

The District's basic financial statements for the year ended June 30, 2021, were audited by other auditors whose report expressed unmodified opinions on the respective financial statements of the business-type activities and fiduciary activities. Their report on the year ended June 30, 2021, budgetary comparison and combining statements stated that, in their opinion, such information was fairly stated in all material respects in relation to the financial statements for the year ended June 30, 2021, as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the statistical section included in the annual comprehensive financial report but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express opinions or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Madison, Wisconsin
October 18, 2022

LAS VEGAS VALLEY WATER DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2022 and 2021

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 Annual Comprehensive Financial Report (Annual Report) for the fiscal years ended June 30, 2022 and 2021. 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 2022

- Total assets of \$4,769.9 million increased \$328.3 million or 7.4 percent primarily due to an increase in related party receivables of \$212.9 million largely due to the issuance of new money bonds in behalf of SNWA in the amount of \$292.0 million, partially offset by the refunding of the SNWA 2012B bonds and principal payments in the current year. The increase in related party receivables also includes a change in allocated pension and other postemployment benefit (OPEB) obligations due to unfavorable market performance of trust assets being less favorable than the prior year. The District also experienced an increase in cash and investments of \$91.6 million largely due to new money bond proceeds of \$75.0 million, an increase in net capital assets of \$18.1 million primarily due to higher construction in progress activity in fiscal year 2022, an increase in accounts receivables of \$3.5 million from higher water sales revenues, and an increase in inventories and prepaid expenses of \$2.3 million primarily due to an increase in inventory related to growth in operational activity.
- Deferred outflows of resources of \$112.3 million increased \$40.9 million or 57.3 percent primarily due to differences between expected and actual experience with regard to economic or demographic factors affecting the pension and OPEB plans.
- Total liabilities of \$3,492.2 million increased \$378.4 million or 12.2 percent primarily due to an increase in the actuarially determined pension and OPEB liabilities of \$170.5 million, an increase in bonds payable of \$167.7 million largely due to the issuance of new money bonds in behalf of SNWA in the amount of \$292.0 million and the issuance of LVVWD new money bonds of \$75.0 million, partially offset by the refunding of the SNWA 2012B bonds and principal payments in the current year, an increase in accounts payable and other accrued liabilities of \$29.3 million, an increase of \$15.9 million in advances for construction and construction contracts payable due to the continued advancement of new building activity in the area combined with a decrease in payroll and related liabilities of \$4.7 million.
- Deferred inflows of resources of \$61.6 million decreased \$60.2 million or 49.4 percent primarily as a result of the differences between projected and actual earnings among the pension and OPEB fund investments.
- Operating revenues of \$406.5 million increased \$8.6 million or 2.2 percent as a result of increases in water rates of 4.5 percent for the second half of fiscal year 2022 and population growth in the service area resulting in an increase of customer accounts by 1.1 percent, partially offset by a decrease in overall consumption of 2.2 percent due to conservation efforts.
- Operating expenses of \$365.0 million increased \$29.2 million or 8.7 percent. This increase was primarily driven by higher salaries and benefits expense of \$19.8 million largely due to increased pension and OPEB expense resulting from lower gains on pension and OPEB asset investments when compared to fiscal year 2021. In addition, the District incurred higher operations and maintenance expense of \$5.3 million due to an increase in operational activities and higher costs, an increase in depreciation expense of \$2.1 million related to the overall increase in capital assets, and an increase in purchased water and energy costs of \$2.1 million.
- Capital contributions of \$54.3 million decreased \$4.5 million or 7.7 percent. This change was driven by lower collections of facilities connection fees of \$9.5 million partially offset by an increase in donated mains and services of \$5.0 million.

LAS VEGAS VALLEY WATER DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2022 and 2021

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 Annual Comprehensive 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.

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, 2022 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.

LAS VEGAS VALLEY WATER DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2022 and 2021

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.

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 2022, \$1.3 billion in fiscal year 2021, and \$1.2 billion in fiscal year 2020. Net position increased 4.0 percent in fiscal year 2022 and increased 8.9 percent in fiscal year 2021. 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, 2022, 2021, and 2020:

Condensed Statements of Net Position (In Millions)

	2022	Change	Restated 2021	Change	2020
ASSETS					
Capital assets, net	\$ 1,718.0	\$ 18.2	\$ 1,699.8	\$ 21.0	\$ 1,678.8
Other assets	3,051.9	310.1	2,741.8	(83.2)	2,825.0
Total assets	4,769.9	328.3	4,441.6	(62.2)	4,503.8
DEFERRED OUTFLOWS OF RESOURCES	112.3	40.9	71.4	14.8	56.6
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,882.2	\$ 369.2	\$ 4,513.0	\$ (47.4)	\$ 4,560.4
LIABILITIES					
Current liabilities	\$ 367.7	\$ 54.7	\$ 313.0	\$ (231.1)	\$ 544.1
Noncurrent liabilities	3,124.5	323.7	2,800.8	(0.2)	2,801.0
Total liabilities	3,492.2	378.4	3,113.8	(231.3)	3,345.1
DEFERRED INFLOWS OF RESOURCES	61.6	(60.2)	121.8	79.3	42.5
NET POSITION					
Net investment in capital assets	896.2	34.2	862.0	(2.7)	864.7
Restricted for debt service	12.5	0.1	12.4	(0.5)	12.9
Restricted for capital projects	0.2	—	0.2	—	0.2
Restricted for captive insurance	0.5	0.5	—	—	—
Unrestricted	419.0	16.2	402.8	107.8	295.0
Total net position	1,328.4	51.0	1,277.4	104.6	1,172.8
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 4,882.2	\$ 369.2	\$ 4,513.0	\$ (47.4)	\$ 4,560.4

LAS VEGAS VALLEY WATER DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2022 and 2021

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 \$896.2 million comprised 67.5 percent of total net position as of June 30, 2022, and is attributable to the construction, improvement or acquisition of assets providing services to the District's customers.

The District's net position restricted for bond debt service and capital projects was \$12.7 million for fiscal year ended June 30, 2022. 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 District also reports \$0.5 million as restricted for a captive insurance company, a wholly owned LLC and blended component unit of the District. 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 67.46 percent of total net position as of June 30, 2022, and was 67.48 percent and 73.73 percent as of June 30, 2021 and June 30, 2020, respectively. Net capital assets increased \$18.2 million or 1.07 percent in fiscal year 2022 compared to fiscal year 2021. The increase was primarily due to asset additions, offset by increased accumulated depreciation and asset retirements. For more information, see Note 8.

Other Assets increased \$310.1 million or 11.31 percent in fiscal year 2022 compared to fiscal year 2021, primarily due to an increase in related party receivables of \$212.9 million associated with a change in allocated pension and OPEB obligations due to market performance of trust assets being less favorable than the prior year, an increase in cash and investments of \$91.6 million largely due to new money bond proceeds of \$75.0 million, a \$3.5 million increase in accounts receivables from higher revenues, and a \$2.3 million increase in inventories and prepaid expenses primarily due to an increase in inventory related to advancement in operations and inflation.

Deferred Outflows of Resources increased \$40.9 million or 57.28 percent in fiscal year 2022 compared to fiscal year 2021. The increase is primarily due to differences between expected and actual experience with regard to economic or demographic factors affecting the pension and OPEB plans.

Current Liabilities increased \$54.7 million or 17.48 percent in fiscal year 2022 compared to fiscal year 2021 due to an increase in accounts payable and other accrued liabilities of \$29.3 million, an increase of \$15.9 million in advances for construction and construction contracts payable due to the continued advancement of new building activity in the area, an increase of \$12.3 million in the current portion of bond payables related to the issuance of new debt, an increase of customer guarantee deposits of \$2.1 million due to new account growth, partially offset by a decrease in payroll and related liabilities of \$4.7 million.

Noncurrent Liabilities increased \$323.7 million or 3.97 percent in fiscal year 2022 compared to fiscal year 2021 primarily due to an increase in the actuarial determined pension and OPEB liabilities of \$170.5 million, an increase in bond payables of \$155.4 million largely due to the issuance of new money bonds of \$75 million offset by a decrease in lease liabilities due payments made towards agreements.

Deferred Inflows of Resources decreased \$60.2 million or 49.43 percent in fiscal year 2022 compared to fiscal year 2021 primarily as a result of the differences between projected and actual earnings among the pension and OPEB fund investments.

LAS VEGAS VALLEY WATER DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2022 and 2021

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, 2022, 2021, and 2020:

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

	2022	Change	Restated 2021	Change	2020
OPERATING REVENUES					
Water sales	\$ 400.2	\$ 7.0	\$ 393.2	\$ 25.9	\$ 367.3
Inspection and application fees	3.8	(0.5)	4.3	1.2	3.1
Springs Preserve	1.7	1.3	0.4	(1.6)	2.0
Other	0.8	0.8	—	—	—
Total operating revenues	406.5	8.6	397.9	25.5	372.4
OPERATING EXPENSES					
Salaries and benefits	125.2	19.9	105.3	(22.2)	127.5
Purchased water	100.3	0.6	99.7	(2.1)	101.8
Purchased energy	10.0	1.4	8.6	0.2	8.4
Operations and maintenance	39.9	5.2	34.7	(3.6)	38.3
Depreciation	89.6	2.1	87.5	2.0	85.5
Total operating expenses	365.0	29.2	335.8	(25.7)	361.5
NONOPERATING REVENUES / (EXPENSES)	(44.8)	(28.5)	(16.3)	(18.8)	2.5
CAPITAL CONTRIBUTIONS	54.3	(4.5)	58.8	17.9	40.9
CHANGE IN NET POSITION	\$ 51.0	\$ (53.6)	\$ 104.6	\$ 50.3	\$ 54.3
NET POSITION					
Beginning balance	\$ 1,277.4		\$ 1,172.8		\$ 1,118.5
Change in net position	51.0		104.6		54.3
Ending	\$ 1,328.4		\$ 1,277.4		\$ 1,172.8

LAS VEGAS VALLEY WATER DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2022 and 2021

Fiscal Year 2022 Summary

Total operating revenues increased \$8.6 million to \$406.5 million in fiscal year 2022, or 2.16 percent. Water sales revenue increased \$7.0 million to \$400.2 million or 1.78 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 (CPI), but cannot exceed 4.5 percent or be less than 1.5 percent. The CPI increase implemented in January 2022 was 4.5 percent. Water consumption was 107.0 million gallons in fiscal year 2022 compared to 109.3 million gallons in fiscal year 2021, a decrease of 2.3 million gallons or 2.17 percent. The decrease in metered water usage during fiscal year 2022 was attributable to conservation efforts. The number of active accounts increased to 412,800 at June 30, 2022 from 408,542 at June 30, 2021, an increase of 4,258 active accounts or 1.1 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 decreased \$0.5 million to \$3.8 million in fiscal year 2022 primarily due to the slowing of growth in development.

Operating expenses before depreciation of \$275.4 million in fiscal year 2022 increased \$27.2 million, or 10.95 percent compared to fiscal year 2021. Salaries and benefits expense of \$125.2 million in fiscal year 2022 increased \$19.9 million from \$105.3 million in fiscal year 2021 primarily due to higher pension and OPEB expense attributed to investment losses in fiscal year 2022 when compared to investment gains in fiscal year 2021. Purchased water expense increased \$0.6 million to \$100.3 million or 0.60 percent. Purchased energy expense increased \$1.4 million to \$10.0 million or 16.28 percent in fiscal year 2022. Operations and maintenance expense of \$39.9 million in fiscal year 2022 increased \$5.2 million, or 14.99 percent compared to fiscal year 2021 due to continued increase in operational activities and inflation.

Depreciation expense increased \$2.1 million to \$89.6 million or 2.40 percent due to increased depreciation as a result of capital asset additions added during the year.

Nonoperating revenues (expenses) experienced a net decrease of \$28.5 million to \$(44.8) million net expense. This was primarily due to the fact that nonoperating revenues decreased \$24.4 million to \$21.0 million or 717.65 percent, largely driven by significantly higher market returns on investments during the prior fiscal year and lower investment returns during the current fiscal year. Nonoperating expenses increased \$4.1 million to \$23.8 million or 20.8 percent in fiscal year 2022 from fiscal year 2021 largely due to higher interest costs and new money bonds completed in fiscal year 2022.

Capital and other contributions decreased \$4.5 million or 7.65 percent to \$54.3 million resulting from a \$3.3 million decrease in donated mains and services and a \$1.3 million decrease in facilities connection charges and other capital contributions in fiscal year 2022. The change in these numbers is indicative of a slowing construction market. The connection fees are a leading indicator as the activity takes place at the early stages of development and development activities are beginning to slow when compared to fiscal year 2021.

LAS VEGAS VALLEY WATER DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2022 and 2021

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. 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 5.0 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 \$248.3 million in fiscal year 2021 decreased \$99.8 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 \$0.2 million to \$8.6 million or 1.19 percent in fiscal year 2021. Operations and maintenance expense of \$34.7 million in fiscal year 2021 decreased \$3.6 million, or 9.40 percent compared to fiscal year 2020, primarily due to the implementation of GASB Statement No. 87, *Leases*, which required reclassifications of expenses from operations and maintenance expenses to amortization. Salaries and benefits expense of \$105.3 million decreased \$22.2 million or 17.41 percent compared to fiscal year 2020 due to lower pension and OPEB expense resulting from gains in investments.

Depreciation expense increased \$2.0 million to \$87.5 million or 2.34 percent due to the implementation of GASB Statement No. 87, *Leases*, which required reclassifications of expenses from operations and maintenance to amortization.

Nonoperating revenues (expenses) experienced a net decrease of \$18.8 million to \$(16.3) million net expense. Nonoperating revenues decreased \$19.6 million to \$3.4 million or 85.22 percent, largely driven by significantly higher market returns on investments during fiscal year 2021. Nonoperating expenses decreased \$0.8 million to \$(19.7) million or 3.90 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 (Unaudited)
For the Fiscal Years Ended June 30, 2022 and 2021

Capital Asset and Long-Term Debt Activity

Capital assets. The District's investment in capital assets on June 30, 2022 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 2022, the District made capital expenditures, net of capital contributed for construction, of \$36.6 million. Total contract commitments were \$33.2 million at June 30, 2022.

Significant capital improvements expenditures during fiscal year 2022 included the following:

- Centennial reservoir and pumping station. Total expenditures in fiscal year 2022 were \$14.3 million. The project was funded using bond funds. Contract commitments at June 30, 2022 were \$24.8 million.
- 4125 reservoir and pumping station. Total expenditures in fiscal year 2022 were \$13.1 million. The project was funded using bond funds. There were no contract commitments at June 30, 2022.
- Advanced Metering System (AMI). Total expenditures in fiscal year 2022 were \$11.2 million. The project was funded using bond funds. There were no contract commitments at June 30, 2022.
- Backflow Retrofits Project. Total expenditures in fiscal year 2022 were \$5.0 million. The project was funded using bond funds. Contract commitments at June 30, 2022 were \$4.8 million.
- Las Vegas Boulevard Pipeline Replacement. Total expenditures in fiscal year 2022 were \$2.1 million. The project was funded using bond funds. Contract commitments at June 30, 2022 were \$2.7 million.

Long-term debt. At the end of fiscal year 2022, the District had total bond debt and State Revolving Fund loans outstanding of \$2.8 billion, \$2.0 billion of which is secured by pledged revenue of the SNWA. All but \$0.2 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, 2022, Moody's rates the District's general obligation bonds Aa1 and as of July 8, 2020, Standard & Poor's rates them AA.

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

LAS VEGAS VALLEY WATER DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2022 and 2021

Economic factors and next year's budget

Management's financial outlook is optimistic. The economic environment of the District's service area has been generally positive over the past several years. While the COVID-19 pandemic has had a significant economic impact on Southern Nevada's economy, it is now recovering and 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 2022. The number of active customer accounts increased by 4,258 accounts to 412,800 active accounts as of June 30, 2022 from 408,542 active accounts as of June 30, 2021. New service applications increased 54.12 percent to 9,323 in calendar year 2021 compared to 6,049 in calendar year 2020. The District projects continued growth for fiscal year 2023.

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 23 years, the Colorado River Basin has experienced a persistent drought, which has affected reservoir storage levels in Lake Powell and Lake Mead. By the end of September 2022, reservoir storage in Lake Powell and Lake Mead is projected to reach 25 percent and 27 percent of capacity, respectively. Lake Mead's surface elevation will be down approximately 170 feet from its pre-drought conditions, a reduction of approximately 67 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 2022 forecast shows Lake Mead's elevation will be below an elevation of 1,050 feet and above 1,045 feet on January 1, 2023, resulting in the first ever second tier shortage declaration in the Lower Colorado River Basin during 2023. Nevada and Arizona will incur shortage reductions and will be required to make DCP contributions to Lake Mead during 2023. In accordance with provisions of Minute 323 to the 1944 Mexico Water Treaty, Mexico will be required to reduce Colorado River deliveries during 2023. Nevada's Colorado River shortage reduction is 17,000 acre-feet (AF) during 2023, resulting in a Nevada Colorado River apportionment of 283,000 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 additional reductions to their basic Colorado River apportionments and DCP Contributions in future years. The SNWA Water Resource Plan demonstrates how SNWA intends to meet water demands during the shortage and DCP conditions during 2023.

The fiscal year 2023 budget projects \$239.7 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, 2022 and 2021

	2022	Restated 2021
ASSETS		
CURRENT ASSETS		
Unrestricted		
Cash and cash equivalents	\$ 132,644,102	\$ 334,433
Investments	415,326,761	500,997,811
Interest receivable	1,273,990	1,110,710
Accounts receivable, net of allowance for doubtful accounts	84,160,179	82,284,007
Accounts receivable, related party	7,708,007	6,072,391
Lease receivable	81,226	77,151
Inventories and prepaid expenses	14,261,189	11,994,610
Total unrestricted	655,455,454	602,871,113
Restricted		
Cash and cash equivalents	1,653,927	209,212
Investments	166,328,609	122,846,081
Due from related party	118,944,679	109,585,765
Total restricted	286,927,215	232,641,058
Total current assets	942,382,669	835,512,171
NONCURRENT ASSETS		
Capital assets, net of accumulated depreciation and amortization		
Construction in progress	131,915,278	100,140,617
Land and land rights	24,016,275	24,035,655
Property, plant, and equipment	3,232,784,678	3,163,791,079
Accumulated depreciation	(1,670,729,741)	(1,588,124,120)
Total capital assets, net of accumulated depreciation and amortization	1,717,986,490	1,699,843,231
Other noncurrent assets		
Due from related party, unrestricted	108,712,615	41,484,423
Due from related party, restricted	1,999,405,000	1,863,135,000
Lease receivable	1,199,310	1,280,536
Other assets	193,517	329,125
Total other noncurrent assets	2,109,510,442	1,906,229,084
Total noncurrent assets	3,827,496,932	3,606,072,315
TOTAL ASSETS	4,769,879,601	4,441,584,486
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount related to pension	107,681,878	42,722,611
Deferred amount related to postemployment benefits other than pension	1,492,534	492,258
Deferred amount, related party	3,159,038	28,217,287
Total deferred outflows of resources	112,333,450	71,432,156
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,882,213,051	\$ 4,513,016,642

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, 2022 and 2021

	2022	Restated 2021
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and other accrued liabilities	\$ 96,818,986	\$ 67,519,068
Service installation deposits	935,735	890,228
Customer advances for construction	26,558,040	11,629,239
Payroll and related liabilities	45,815,402	50,527,282
Current portion of bonds payable	41,518,000	38,243,000
Current portion of bonds payable, related party	110,455,000	101,405,000
Accrued bond interest	5,593,070	5,854,189
Current portion of state revolving fund loans	2,603,813	2,541,291
Accrued state revolving fund loan interest	474,420	502,803
Accrued debt interest, related party	8,489,679	8,180,765
Construction contracts payable	2,370,445	1,411,657
Customer guarantee deposits	24,432,564	22,340,958
Current portion of lease obligations	1,659,086	1,994,023
Total current liabilities	367,724,240	313,039,503
NONCURRENT LIABILITIES		
Net pension liability	268,017,865	100,723,526
Net postemployment benefits other than pension liability	9,751,814	6,561,379
Deferred compensation liability	289,829	295,130
Unearned revenue	1,798,827	2,259,517
Bonds payable and unamortized premiums	799,622,327	777,966,184
State revolving fund loans	39,169,584	41,704,576
Bonds payable and unamortized premiums, related party	1,999,405,000	1,863,135,000
Lease obligation, net of current portion	6,452,538	8,111,624
Total noncurrent liabilities	3,124,507,784	2,800,756,936
TOTAL LIABILITIES	3,492,232,024	3,113,796,439
DEFERRED INFLOWS OF RESOURCES		
Deferred amount related to bond refundings	5,795,795	4,307,133
Deferred amount related to pension	4,618,290	101,515,363
Deferred amount related to postemployment benefits other than pension	9,564,137	14,673,620
Deferred amount, related party	40,336,700	—
Deferred amount on leases	1,277,025	1,344,697
Total deferred inflows of resources	61,591,947	121,840,813
NET POSITION		
Net investment in capital assets	896,231,844	861,957,126
Restricted for debt service	12,401,194	12,419,112
Restricted for capital projects	208,138	209,212
Restricted for captive insurance	525,000	—
Unrestricted	419,022,904	402,793,940
Total net position	1,328,389,080	1,277,379,390
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 4,882,213,051	\$ 4,513,016,642

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, 2022 and 2021

	2022	Restated 2021
OPERATING REVENUES		
Water sales	\$ 400,207,485	\$ 393,153,616
Inspection and application fees	3,825,425	4,311,045
Springs Preserve	1,699,744	387,554
Other	753,804	11,845
Total operating revenues	406,486,458	397,864,060
OPERATING EXPENSES		
Salaries and benefits	125,154,506	105,327,388
Purchased water	100,294,880	99,660,851
Purchased energy	10,001,647	8,536,620
Operations and maintenance	39,913,114	34,658,532
Depreciation and amortization	89,618,432	87,549,606
Total operating expenses	364,982,579	335,732,997
OPERATING INCOME	41,503,879	62,131,063
NONOPERATING (EXPENSES) REVENUES		
Interest expense	(23,801,967)	(19,675,280)
Interest and investment (loss), unrestricted	(24,210,612)	(621,173)
Interest and investment income, restricted	675,442	1,567,235
Other	2,570,400	2,445,211
Total nonoperating (expenses) revenues	(44,766,737)	(16,284,007)
(LOSS) INCOME BEFORE CAPITAL CONTRIBUTIONS	(3,262,858)	45,847,056
Capital contributions	54,272,548	58,775,620
CHANGE IN NET POSITION	51,009,690	104,622,676
NET POSITION, BEGINNING OF THE YEAR	1,277,379,390	1,172,756,714
NET POSITION, END OF YEAR	\$ 1,328,389,080	\$ 1,277,379,390

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, 2022 and 2021

	<u>2022</u>	<u>Restated 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 404,079,034	\$ 386,656,267
Other cash receipts	1,822,241	850,162
Cash payments to employees for services	(126,423,445)	(122,638,274)
Cash payments to suppliers for goods and services	(142,113,904)	(147,383,836)
Other cash payments	(1,424)	(1,397)
Net cash provided by operating activities	<u>137,362,502</u>	<u>117,482,922</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(79,446,412)	(77,765,268)
Capital contributed	42,797,592	45,199,579
Proceeds from sale of property and equipment	305,845	405,374
Right of use leases	(1,994,023)	(1,973,821)
Proceeds from debt issuance	75,096,863	106,028,328
Principal paid on debt	(40,786,439)	(38,817,752)
Interest paid on debt (net of subsidy)	(33,045,220)	(35,410,311)
Construction deposits	14,974,309	1,759,481
Net cash used in capital and related financing activities	<u>(22,097,485)</u>	<u>(574,390)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investment securities	(428,553,893)	(647,328,622)
Proceeds from sales and maturities of investment securities	439,669,202	505,695,274
Interest on investments	7,374,058	8,005,004
Net cash provided by (used in) investing activities	<u>18,489,367</u>	<u>(133,628,344)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	133,754,384	(16,719,812)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>543,645</u>	<u>17,263,457</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 134,298,029</u></u>	<u><u>\$ 543,645</u></u>

(Continued)

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, 2022 and 2021

	<u>2022</u>	<u>Restated 2021</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 41,503,879	\$ 62,131,063
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization expense	89,618,432	87,549,606
Changes in assets and liabilities:		
(Increase) in accounts receivable	(2,262,009)	(6,578,351)
(Increase) decrease in accounts receivable, related party	(1,515,521)	426,421
(Increase) in inventories, prepaid expenses and other	(2,107,419)	(1,107,681)
Increase (decrease) in accounts payable for operations	12,965,967	(2,035,720)
Decrease in payroll and other accrued liabilities	(1,887,107)	(23,533,985)
Decrease in unearned revenue for operations	(30,912)	(30,912)
Other	1,077,192	662,481
Net cash provided by operating activities	<u><u>\$ 137,362,502</u></u>	<u><u>\$ 117,482,922</u></u>
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Capital asset contributions	\$ 11,474,956	\$ 13,576,041
Deferred lease revenue	36,673	1,443,606
Change in fair value of investments	(31,115,976)	(7,810,253)
Refunding bonds issued	39,979,012	38,815,630
Bonds refunded	(42,146,340)	(39,738,993)
Deferred gain on refunded bonds	2,367,803	1,144,297
Refunding bonds issued on behalf of related party	253,820,000	352,830,000
Bonds refunded on behalf of related party	(299,335,000)	(424,940,000)
Intangible right-to-use asset	—	(12,060,294)
Lease liability right-to-use asset	—	12,060,294

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, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 5,102,101	\$ 6,149,211
Insurance accounts at contract value	7,535,443	6,260,627
Investments at fair value:		
Domestic equity funds	296,375,820	356,665,117
Domestic bond funds	202,360,263	211,063,057
International equity fund	82,493,894	102,605,126
Real assets	72,068,806	69,176,088
Nevada Retirement Benefits Investment Trust	21,074,259	23,256,736
Total investments at fair value	<u>674,373,042</u>	<u>762,766,124</u>
Total investments	687,010,586	775,175,962
Accrued interest receivable	<u>150,173</u>	<u>77,919</u>
TOTAL ASSETS	687,160,759	775,253,881
LIABILITIES		
Accounts payable	210,439	172,930
NET POSITION		
Restricted for pensions	663,246,174	749,197,931
Restricted for OPEB	<u>23,704,146</u>	<u>25,883,020</u>
TOTAL NET POSITION	<u><u>\$ 686,950,320</u></u>	<u><u>\$ 775,080,951</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, 2022 and 2021

	2022	2021
ADDITIONS		
Employer contributions	\$ 47,340,641	\$ 47,505,030
Employee contributions	1,109,816	1,020,477
Investment earnings:		
Interest	673,880	603,114
Net change in fair value of investments	(101,761,654)	173,137,010
Total investment (loss) earnings	(101,087,774)	173,740,124
Less investment expense	(488,412)	(380,677)
Net investment (loss) earnings	(101,576,186)	173,359,447
Total additions	(53,125,729)	221,884,954
DEDUCTIONS		
Administrative and general	402,950	384,043
Benefits	34,601,952	27,456,179
Total deductions	35,004,902	27,840,222
NET (DECREASE) INCREASE IN NET POSITION	(88,130,631)	194,044,732
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS		
Beginning of year	775,080,951	581,036,219
End of year	\$ 686,950,320	\$ 775,080,951

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, 2022 and 2021

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 Annual Comprehensive Financial Report. For purposes of these financial statements, the District is the reporting entity.

LVVWD CI, Inc. (LVVWD CI) was established as of January 1, 2022 to act as a captive insurance company for the District and is a blended component unit because LVVWD CI exclusively benefits the District and District management has operational responsibility for this component unit. Component units are entities for which the District is considered to be financially accountable. The District's component unit is reported as a blended component unit. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately combined with the balances and transactions of the proprietary fund of the District.

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*. 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.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

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.

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.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

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. 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.

Leases

The District is a lessee for noncancellable leases of office space and equipment. The District recognizes a lease liability and an intangible right-to-use lease asset in the statement of net position and recognizes lease liabilities with an initial, individual value of \$10,000 or more.

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

Key estimates and judgements related to leases include how the District determines (1) the rate it uses to discount the expected lease payments to present value, (2) the lease term, and (3) the lease payments. The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, an estimated incremental borrowing rate is used as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of payments fixed in substance, and purchase option price that the District is reasonably certain to exercise.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with current and long term liabilities on the statement of net position.

The District is a lessor for noncancellable leases of land for the use of cell towers and recognizes a lease receivable and a deferred inflow of resources in the statement of net position.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments made. The deferred inflow of resources is first measured at the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement date. Consequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements related to leases include how the District determines (1) the rate it uses to discount the expected lease payment receipts to present value, (2) the lease term, and (3) the lease payment. The District uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payment receipts included in the measurement of the lease receivable are composed of payments fixed in substance that the District is reasonably certain to receive.

The District monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of lease receivable. Lease receivables are reported with current and noncurrent assets and deferred inflows are reported with deferred inflows of resources on the statement of net position.

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 \$2.9 million in fiscal year 2022 and \$2.2 million in fiscal year 2021 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, 2022 and 2021

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 2022 were \$81,152 and in fiscal year 2021 were \$63,784. 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.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

Restatements

The District adopted GASB Statement No. 87, *Leases*, effective July 1, 2021 and retrospectively restated the period ended June 30, 2021. The impacts of the restatements are summarized in the following tables:

Schedule of Restatements to the Statement of Net Position

	As previously reported - Year Ended June 30, 2021	Adjustments	As restated - Year Ended June 30, 2021
Assets and deferred outflows of resources			
Current lease receivable	\$ —	\$ 77,151	\$ 77,151
Property, plant & equipment in service	3,151,730,785	12,060,294	3,163,791,079
Less accumulated depreciation	(1,586,150,299)	(1,973,821)	(1,588,124,120)
Noncurrent lease receivable	—	1,280,536	1,280,536
Liabilities, deferred inflows of resources and net position			
Accounts payable and other accrued liabilities	67,513,206	5,862	67,519,068
Current portion of lease obligations	—	1,994,023	1,994,023
Lease liability	—	8,111,624	8,111,624
Deferred amount on leases	—	1,344,697	1,344,697

Schedule of Restatements to the Statement of Revenues, Expenses and Changes in Net Position

	As previously reported - Year Ended June 30, 2021	Adjustments	As restated - Year Ended June 30, 2021
Operations and maintenance	\$ 36,632,353	\$ (1,973,821)	\$ 34,658,532
Depreciation	85,575,785	1,973,821	87,549,606

Reclassifications

Certain reclassifications have been made to the fiscal year 2021 basic financial statements to conform to the fiscal year 2022 presentation.

New Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*, which is effective for fiscal years beginning after June 15, 2021. 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 enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. The new standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The statement requires lessees to recognize a lease liability and an intangible right-to-use lease asset and lessors to recognize a lease receivable and a deferred inflow of resources. This standard was implemented as of July 1, 2021 and retrospectively presented for the fiscal year ended June 30, 2021. See Notes 5, 8, 11 and 16.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which is effective for fiscal years beginning after December 15, 2020. 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. The

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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) 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 requirements of this Statement are effective for fiscal years beginning after June 15, 2022. 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.

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 issuance of GASB Statement No. 95 changed the effective date of paragraphs 13 and 14 in Statement No. 93 from fiscal years beginning after June 15, 2020 to fiscal years beginning after June 15, 2021. 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 has no agreements or leases covered by this statement as of June 30, 2022.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The District is currently evaluating how the adoption of Statement No. 94 will affect the District's financial position, results of operations, or cash flows.

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.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. This Statement pronounced that certain requirements of paragraph 4 and 5 as it applies to defined contribution pension, defined contribution OPEB, and other benefit plans became effective immediately. The District has no plans covered by the requirements of these paragraphs. The remaining requirements are effective for fiscal years beginning after June 15, 2021. The District has implemented these remaining requirements for fiscal year ended June 30, 2022.

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This statement codifies the replacement of the term Comprehensive Annual Financial Report with Annual Comprehensive Financial Report. This statement is effective for fiscal years ending after December 15, 2021, earlier application is encouraged. The District has implemented this statement for the annual report for fiscal year ended June 30, 2022.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. This Statement is meant to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. The District is currently evaluating how the adoption of Statement No. 100 will affect the District's financial position, results of operations, or cash flows.

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In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The District is currently evaluating how the adoption of Statement No. 100 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, 2022. For a comparison of the results of financial activities to the final budget, see the Other Supplementary Information section directly following the notes to the basic financial statements.

NOTE 3. 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, 2022 and 2021, were \$134.3 million and \$0.5 million, respectively. The District's bank balances as of June 30, 2022 and 2021, were \$137.2 million and \$6.1 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 fair value of the aggregate total deposits of public entities in Nevada with a third-party custodian.

The cash balance for LVVWD CI as of June 30, 2022 was \$1.4 million. The bank balance for LVVWD CI at June 30, 2022 was \$1.4 million. This amount is not covered by the collateral pool for public fund deposits.

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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, 2022. The excess benefit plan's investments totaled \$321,992 as of June 30, 2022 and \$369,654 as of June 30, 2021 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, 2022	June 30, 2021
U.S. agency bonds	\$ 212,321,804	\$ 297,794,562
U.S. treasury notes	178,165,554	125,453,375
Corporate bonds	115,163,555	66,056,715
Commercial paper	44,118,905	11,999,520
Negotiable certificates of deposit	11,890,560	10,001,800
Asset-backed securities	9,443,600	—
Local Government Investment Pool	5,000,000	106,396,966
Supranational obligations	4,630,400	4,977,300
Equity securities fund	200,446	233,733
Fixed income securities fund	121,546	135,921
Total investments excluding bank non-negotiated CDs	\$ 581,056,370	\$ 623,049,892
Non-negotiated CDs	599,000	794,000
Total investments including bank non-negotiated CDs	<u>\$ 581,655,370</u>	<u>\$ 623,843,892</u>

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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, 2022, the District's investment ratings and estimated fair values were as follows:

Investment Type	S&P	Moody's	Fair Value
U.S. agency bonds	AA+	Aaa	\$ 183,657,394
Commercial paper	A-1	P-1	44,118,907
Corporate bonds	AA+	Aaa	37,666,685
U.S. agency bonds	Unrated	Unrated	28,664,410
Corporate bonds	A	A2	23,455,950
Corporate bonds	A	A1	19,830,600
Negotiable certificates of deposit	A-1	P-1	11,890,560
Corporate bonds	AA-	Aa3	10,102,720
Corporate bonds	A	A3	9,966,000
Asset-backed securities	AAA	NR	9,443,600
Corporate bonds	AA	Aa2	5,009,600
Local Government Investment Pool	Unrated	Unrated	5,000,000
Corporate bonds	A+	Aa2	4,682,400
Supranational obligations	AAA	Aaa	4,630,400
Corporate bonds	A-	A2	4,449,600
Equity securities fund	Unrated	Unrated	200,446
Fixed income securities fund	Unrated	Unrated	121,546

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 bonds	AA+	Aaa	\$ 231,998,867
Local Government Investment Pool	Unrated	Unrated	106,396,966
U.S. agency bonds	Unrated	Unrated	65,795,695
Corporate bonds	AA+	Aaa	22,509,225
Corporate bonds	AA+	Aa1	13,244,690
Commercial paper	A-1	P-1	11,999,520
Negotiable certificates of deposit	A-1+	P-1	10,001,800
Corporate bonds	A	A1	9,989,500
Corporate bonds	A	A2	9,980,000
Corporate bonds	AA	Aa2	5,362,350
Supranational obligations	AAA	Aaa	4,977,300
Corporate bonds	A+	Aa2	4,970,950
Equity securities fund	Unrated	Unrated	233,733
Fixed income securities fund	Unrated	Unrated	135,921

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Concentration of Credit Risk

As of June 30, 2022, 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	9%
Federal Farm Credit Bank	U.S. Agency Bonds	7
Federal National Mortgage Association	U.S. Agency Bonds	5

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

Interest Rate Risk

As of June 30, 2022, the District's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Days)
U.S. agency bonds	\$ 212,321,804	747
U.S. treasury notes	178,165,554	1,024
Corporate bonds	115,163,555	1,055
Commercial paper	44,118,905	16
Negotiable certificates of deposit	11,890,560	152
Asset-backed securities	9,443,600	1,600
Local Government Investment Pool	5,000,000	125
Supranational obligations	4,630,400	1,111
Total fair value	<u>\$ 580,734,378</u>	
Portfolio weighted average maturity		837

Excess Benefit Plan Investment Type	Fair Value	Weighted Average Maturity in Years
Equity securities	\$ 200,446	N/A
Fixed income securities	121,546	9
Total fair value	<u>\$ 321,992</u>	

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

Investment Type	Fair Value	Weighted Average Maturity (Days)
U.S. agency bonds	\$ 297,794,562	806
U.S. treasury notes	125,453,375	1,098
Local Government Investment Pool	106,396,966	142
Corporate bonds	66,056,715	1,305
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>	

Custodial Credit Risk

The District does not have any investments exposed to custodial credit risk.

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.

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At June 30, 2022, 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 bonds	\$ 212,321,804	\$ —	\$ 212,321,804	\$ —
U.S. treasury notes	178,165,554	178,165,554	—	—
Corporate bonds	115,163,555	—	115,163,555	—
Commercial paper	44,118,905	—	44,118,905	—
Negotiable certificates of deposit	11,890,560	—	11,890,560	—
Asset-backed securities	9,443,600	—	9,443,600	—
Supranational obligations	4,630,400	—	4,630,400	—
Equity securities fund	200,446	200,446	—	—
Fixed income securities fund	121,546	121,546	—	—
Total investments	<u>\$ 576,056,370</u>	<u>\$ 178,487,546</u>	<u>\$ 397,568,824</u>	<u>\$ —</u>

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 bonds	\$ 297,794,562	\$ —	\$ 297,794,562	\$ —
U.S. treasury notes	125,453,375	125,453,375	—	—
Corporate bonds	66,056,715	—	66,056,715	—
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>

NOTE 5. RECEIVABLES

Accounts receivable includes water accounts receivable and other accounts receivable as shown below. The net accounts receivable balance at June 30, 2022, is expected to be collected within one year.

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	2022	2021
Water accounts receivable:		
Outstanding billings	\$ 52,823,117	\$ 47,526,578
Unbilled water revenue	31,524,737	33,814,372
Allowance for doubtful collection	(3,710,916)	(2,615,618)
Water accounts receivable, net	80,636,938	78,725,332
Other accounts receivable:		
Other governments	9,290	89,661
Other	3,805,240	3,741,681
Allowance for doubtful collection	(291,289)	(272,667)
Other accounts receivable, net	3,523,241	3,558,675
Total accounts receivable, net	\$ 84,160,179	\$ 82,284,007

Lease Receivable

The District, as a lessor, has entered into four lease agreements involving land for cell tower locations. As of June 30, 2022 and 2021, the lease receivable was \$1.3 million and \$1.4 million, respectively. The leases have interest rates between 1.3 percent and 1.6 percent, and an estimated life of 6 to 20 years. The District recognized \$0.1 million of lease revenue, \$19,889 of interest revenue, and no variable payments revenue related to these leases for the fiscal year ended June 30, 2022. For the fiscal year ended June 30, 2021, the District recognized \$0.1 million of lease revenue, \$20,977 of interest revenue and no variable payment revenue.

The District's future lease income under lease agreements are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 81,226	\$ 18,661	\$ 99,887
2024	85,451	17,464	102,915
2025	89,782	16,110	105,892
2026	94,365	14,735	109,100
2027	99,066	13,291	112,357
2028-2032	571,936	42,222	614,158
2033-2036	258,710	6,469	265,179
Total lease income	\$ 1,280,536	\$ 128,952	\$ 1,409,488

NOTE 6. INVENTORIES AND PREPAID EXPENSES

The following items are included in inventories and prepaid expenses as of June 30, 2022 and 2021:

	2022	2021
Inventory	\$ 10,842,602	\$ 8,992,955
Prepaid service agreements	2,755,598	2,470,727
Other prepaid expenses	662,989	530,928
Total inventories and prepaid expenses	\$ 14,261,189	\$ 11,994,610

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Notes to Basic Financial Statements
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NOTE 7. RESTRICTED ITEMS

Restricted Cash

At June 30, 2022 and 2021, the balances of the restricted cash accounts were as follows:

	2022	2021
Captive insurance account	\$ 1,392,753	\$ —
Sales tax account	208,138	209,212
Big Bend agency account	53,036	—
Total restricted cash	<u>\$ 1,653,927</u>	<u>\$ 209,212</u>

Restricted Investments

At June 30, 2022 and 2021, the balances of the restricted investment accounts were as follows:

	2022	2021
Bond acquisition and construction	\$ 75,011,000	\$ 36,962,551
Oversizing account	47,884,851	44,329,460
Customer guarantee deposits	24,432,564	22,340,958
Sinking fund debt service	12,401,194	12,419,112
SNWA energy collateral	6,000,000	6,000,000
Workers comp - State of Nevada	599,000	794,000
Total restricted investments	<u>\$ 166,328,609</u>	<u>\$ 122,846,081</u>

NOTE 8. CAPITAL ASSETS

The following tables summarize changes in major categories of capital assets for the year ended June 30, 2022 and 2021.

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Capital Asset Category	For the Fiscal Year Ended June 30, 2022			
	Restated Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022
Construction in progress	\$ 100,140,617	\$ 92,517,700	\$ (60,743,039)	\$ 131,915,278
Land and land rights	24,035,655	—	(19,380)	24,016,275
Property, plant, and equipment				
Organization costs and improvements	1,634,736	—	(207,684)	1,427,052
Collecting and impounding structures	956,888,662	9,794,909	(2,226,992)	964,456,579
Intangible right to use, collecting and impounding structures	10,919,378	—	—	10,919,378
Pumping stations and wells	330,562,675	1,692,830	(247,494)	332,008,011
Purification equipment	844,123	—	(35,862)	808,261
Transmission/distribution/mains	1,064,512,539	45,029,789	(144,423)	1,109,397,905
Telemetry/valves and miscellaneous	67,532,331	6,271,252	—	73,803,583
Meters/services	631,985,395	10,728,379	(1,325,440)	641,388,334
Office furniture and equipment	38,116,464	387,782	(1,804,396)	36,699,850
Intangible right to use, office furniture and equipment	1,140,917	—	(304,372)	836,545
Transportation/work/equipment	59,653,859	2,308,439	(923,118)	61,039,180
Total property, plant, and equipment	3,163,791,079	76,213,380	(7,219,781)	3,232,784,678
Accumulated depreciation				
Organization costs and improvements	1,634,736	—	(207,684)	1,427,052
Collecting and impounding structures	598,963,305	33,698,942	(2,202,632)	630,459,615
Intangible right to use, collecting and impounding structures	1,523,634	1,523,634	—	3,047,268
Pumping stations and wells	231,893,104	10,702,853	(247,494)	242,348,463
Purification equipment	754,846	28,213	(35,862)	747,197
Transmission/distribution/mains	295,154,361	14,836,402	(58,182)	309,932,581
Telemetry/valves and miscellaneous	22,091,457	1,269,296	—	23,360,753
Meters/services	352,712,638	21,145,995	(1,230,614)	372,628,019
Office furniture and equipment	31,457,086	2,116,556	(1,802,854)	31,770,788
Intangible right to use, office furniture and equipment	450,187	506,709	(304,371)	652,525
Transportation/work/equipment	51,488,766	3,789,832	(923,118)	54,355,480
Total accumulated depreciation	1,588,124,120	89,618,432	(7,012,811)	1,670,729,741
Total capital assets, net	\$ 1,699,843,231	\$ 79,112,648	\$ (60,969,389)	\$ 1,717,986,490

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Capital Asset Category	For the Fiscal Year Ended June 30, 2021			
	Balance June 30, 2020	Increases	Decreases	Restated 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	463,849	—	24,035,655
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
Intangible right to use, collecting and impounding structures	—	10,919,378	—	10,919,378
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
Intangible right to use, office furniture and equipment	—	1,140,917	—	1,140,917
Transportation/work/equipment	57,571,031	4,026,314	(1,943,486)	59,653,859
Total property, plant, and equipment	3,072,958,454	94,486,007	(3,653,382)	3,163,791,079
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
Intangible right to use, collecting and impounding structures	—	1,523,634	—	1,523,634
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
Intangible right to use, office furniture and equipment	—	450,187	—	450,187
Transportation/work/equipment	49,503,171	3,929,081	(1,943,486)	51,488,766
Total accumulated depreciation	1,504,008,200	87,549,606	(3,433,686)	1,588,124,120
Total capital assets, net	\$ 1,678,760,557	\$ 86,278,199	\$ (65,195,525)	\$ 1,699,843,231

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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, 2022 and 2021, accounts payable consists of the following:

	2022				
	SNWA	City of Las Vegas	Clark County	Other Vendors	Total Payables
Purchased water (SNWA)	\$ 10,191,035	\$ —	\$ —	\$ —	\$ 10,191,035
Other SNWA expenses	27,313,025	—	—	—	27,313,025
Recycled water distribution	—	14,904,192	—	—	14,904,192
Other expenses	74,617	18,599	—	19,875,912	19,969,128
Capital assets and contracts	—	—	16,258,532	8,183,074	24,441,606
Total	<u>\$ 37,578,677</u>	<u>\$ 14,922,791</u>	<u>\$ 16,258,532</u>	<u>\$ 28,058,986</u>	<u>\$ 96,818,986</u>

	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)	14,412,749	14,487,744
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>\$ 21,462,937</u>	<u>\$ 67,519,068</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.

Type	June 30, 2022	June 30, 2021
Balance at beginning of period	\$ —	\$ 250,000,000
Additions	—	722,000,000
Retirements	—	(972,000,000)
Balance at end of period	<u>\$ —</u>	<u>\$ —</u>

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

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.

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, 2022, the District had \$2,109.9 million outstanding general obligation bonds additionally secured by pledged revenue of the SNWA. 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, 2022 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 no unused lines of credit at June 30, 2022. 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.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

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, 2022 and 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, 2022 and 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 2022.

Current Year Debt Issuances

On February 1, 2022, the District issued the LVVWD 2022A new money bonds on behalf of the SNWA in the original amount of \$292.2 million with \$59.4 million of premiums. Proceeds from the bonds will be used to fund capital expenditures. The LVVWD 2022A bonds are comprised of serial bonds maturing annually on June 1 between 2023 and 2044 as well as term bonds maturing on June 1, 2046 and June 1, 2051. Interest will be paid semiannually on June 1 and December 1. The true interest cost is 2.66 percent.

On March 3, 2022, the District issued the LVVWD 2022B refunding bonds in the original amount of \$31.5 million with \$8.6 million of premiums. Proceeds from the bonds were deposited into escrow to refund the remaining portions of the LVVWD 2012A bonds. The LVVWD 2022B refunding is comprised of serial bonds maturing on June 1 between 2028 and 2032. Interest will be paid semiannually on June 1 and December 1. The true interest cost is 1.54 percent. The aggregate difference in debt service between the refunding debt and the refunded debt is \$11.1 million. The net present value of these savings results in an economic gain of \$9.9 million.

On March 3, 2022, the District issued the LVVWD 2022C refunding bonds on behalf of the SNWA in the original amount of \$253.8 million with \$49.8 million of premiums. Proceeds from the bonds were deposited into escrow to refund the remaining portions of the LVVWD 2012B bonds. The LVVWD 2022C refunding is comprised of serial bonds maturing on June 1 between 2023 and 2042. Interest will be paid semiannually on June 1 and December 1. The true interest cost is 2.33 percent. The aggregate difference in debt service between the refunding debt and the refunded debt is \$92.1 million. The net present value of these savings results in an economic gain of \$76.6 million.

On June 29, 2022, the District issued the LVVWD 2022D new money bonds in the original amount of \$70.6 million with \$5.2 million of premiums. Proceeds from the bonds will be used to fund capital expenditures. The LVVWD 2022D bonds are comprised of serial bonds maturing annually on June 1 between 2023 and 2042 as well as term bonds maturing on June 1, 2047 and June 1, 2052. Interest will be paid semiannually on June 1 and December 1. The true interest cost is 3.70 percent.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
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The following is a summary of each of the outstanding long-term debt issues as of June 30, 2022:

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 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
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

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

Debt Issue	Description	Issue Date	Final Payment	Interest Rate	Original Issue Amount
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
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
LVVWD 2022A	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Improvement Bonds, Series 2022A	2/1/2022	6/1/2051	4.00% - 5.00%	\$292,240,000
LVVWD 2022B	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by Pledged Revenues), Water Refunding Bonds, Series 2022B	3/3/2022	6/1/2032	5.00%	\$31,495,000

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

Debt Issue	Description	Issue Date	Final Payment	Interest Rate	Original Issue Amount
LVVWD 2022C	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Refunding Bonds, Series 2022C	3/3/2022	6/1/2042	4.00% - 5.00%	\$253,820,000
LVVWD 2022D	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by Pledged Revenues), Water Bonds, Series 2022D	6/29/2022	6/1/2052	4.00% - 5.00%	\$70,555,000

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

The following schedule presents long-term debt activity in the fiscal year ended June 30, 2022:

Debt Issue	Balance at June 30, 2021	Additions	Reductions	Balance at June 30, 2022	Due Within One Year	Due After One Year
LVVWD 2014 SRF	\$ 16,496,531	\$ —	\$ (1,036,592)	\$ 15,459,939	\$ 1,063,404	\$ 14,396,535
LVVWD 2016C SRF	13,830,034	70,970	(784,372)	13,116,632	800,417	12,316,215
LVVWD 2017 SRF	13,919,302	—	(722,476)	13,196,826	739,992	12,456,834
Total direct borrowings	44,245,867	70,970	(2,543,440)	41,773,397	2,603,813	39,169,584
LVVWD 2008 CREB	336,000	—	(168,000)	168,000	168,000	—
Total direct placements	336,000	—	(168,000)	168,000	168,000	—
LVVWD 2010A BAB	75,995,000	—	—	75,995,000	—	75,995,000
LVVWD 2012A	39,310,000	—	(39,310,000)	—	—	—
LVVWD 2015A	94,835,000	—	(15,205,000)	79,630,000	15,995,000	63,635,000
LVVWD 2016B	90,280,000	—	(4,230,000)	86,050,000	4,440,000	81,610,000
LVVWD 2017A	117,040,000	—	(4,580,000)	112,460,000	4,810,000	107,650,000
LVVWD 2018A	94,695,000	—	(1,990,000)	92,705,000	2,090,000	90,615,000
LVVWD 2020B	21,425,000	—	(850,000)	20,575,000	890,000	19,685,000
LVVWD 2020C	98,395,000	—	(1,915,000)	96,480,000	2,015,000	94,465,000
LVVWD 2020D	94,415,000	—	(4,485,000)	89,930,000	4,710,000	85,220,000
LVVWD 2021B	32,795,000	—	(4,820,000)	27,975,000	5,065,000	22,910,000
LVVWD 2022B	—	31,495,000	—	31,495,000	—	31,495,000
LVVWD 2022D	—	70,555,000	—	70,555,000	1,335,000	69,220,000
Total bonds payable	759,185,000	102,050,000	(77,385,000)	783,850,000	41,350,000	742,500,000
Unamortized premiums and discounts	56,688,184	13,801,297	(13,367,154)	57,122,327	—	57,122,327
Subtotal	860,455,051	115,922,267	(93,463,594)	882,913,724	44,121,813	838,791,911
SNWA 2012B	308,025,000	—	(308,025,000)	—	—	—
SNWA 2015	332,405,000	—	—	332,405,000	—	332,405,000
SNWA 2015B	119,060,000	—	(13,500,000)	105,560,000	14,195,000	91,365,000
SNWA 2015C	27,855,000	—	(3,260,000)	24,595,000	3,420,000	21,175,000
SNWA 2016A	441,675,000	—	(16,250,000)	425,425,000	17,325,000	408,100,000
SNWA 2017B	18,815,000	—	(1,775,000)	17,040,000	1,865,000	15,175,000
SNWA 2018B	53,065,000	—	(9,575,000)	43,490,000	10,065,000	33,425,000
SNWA 2019A	103,025,000	—	(2,660,000)	100,365,000	2,795,000	97,570,000
SNWA 2019B	90,280,000	—	(15,195,000)	75,085,000	15,955,000	59,130,000
SNWA 2020A	117,505,000	—	(6,670,000)	110,835,000	7,005,000	103,830,000
SNWA 2021A	144,685,000	—	(11,805,000)	132,880,000	12,395,000	120,485,000
SNWA 2021C	208,145,000	—	(12,025,000)	196,120,000	12,505,000	183,615,000
SNWA 2022A	—	292,240,000	—	292,240,000	5,035,000	287,205,000
SNWA 2022C	—	253,820,000	—	253,820,000	7,895,000	245,925,000
Total bonds payable, related party	1,964,540,000	546,060,000	(400,740,000)	2,109,860,000	110,455,000	1,999,405,000
Total long-term debt	\$ 2,824,995,051	\$ 661,982,267	\$ (494,203,594)	\$ 2,992,773,724	\$ 154,576,813	\$ 2,838,196,911

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

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, 2022 and 2021

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	
2023	\$ 43,953,813	\$ 34,991,410	\$ 110,623,000	\$ 98,390,217	\$ 287,958,440
2024	45,878,570	33,104,183	115,880,000	92,969,050	287,831,803
2025	48,134,729	30,882,273	112,195,000	87,151,675	278,363,677
2026	50,432,325	28,620,428	117,950,000	81,303,300	278,306,053
2027	43,791,390	26,174,113	114,370,000	75,401,375	259,736,878
2028 - 2032	203,526,895	101,892,887	397,605,000	312,882,238	1,015,907,020
2033 - 2037	189,760,675	58,374,395	479,720,000	212,981,650	940,836,720
2038 - 2042	101,480,000	27,434,486	424,290,000	100,505,300	653,709,786
2043 - 2047	60,750,000	12,752,738	174,105,000	34,625,750	282,233,488
2048 - 2052	37,915,000	3,172,975	63,290,000	6,453,000	110,830,975
Total debt service	\$ 825,623,397	\$ 357,399,888	\$ 2,110,028,000	\$ 1,102,663,555	\$ 4,395,714,840

¹ Includes 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).

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

Lease Obligations

The District, as a lessee, has entered into seven lease agreements involving office space at Molasky Corporate Center from SNWA (see Note 13), office equipment and operating equipment. As of June 30, 2022 and 2021, the lease liability was \$8.1 million and \$10.1 million, respectively. The leases have interest rates between 0.3 percent and 0.8 percent, and an estimated life of 2 to 20 years. The District made \$2.0 million of principal, \$66,782 of interest, and \$76,459 of variable payments related to these leases for the fiscal year ended June 30, 2022. For the fiscal year ended June 30, 2021, the District made \$2.0 million of principal, \$79,088 of interest and no variable payments.

The District's total lease payments under lease agreements are as follows:

Fiscal Years Ending June 30	Principal	Interest	Total
2023	\$ 1,659,086	\$ 54,206	\$ 1,713,292
2024	1,557,595	42,541	1,600,136
2025	1,533,117	30,830	1,563,947
2026	1,544,763	19,177	1,563,940
2027	1,556,498	7,435	1,563,933
2028	260,565	89	260,654
Total lease liability	\$ 8,111,624	\$ 154,278	\$ 8,265,902

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NOTE 12. UNEARNED REVENUE

The following table provides information on the components of unearned revenue for the fiscal years ending June 30, 2022 and 2021:

	2022	2021
Prepaid meters/AMRs	\$ 1,182,235	\$ 1,612,013
Developer advance	386,400	417,312
Facility charges	193,482	193,482
Oversizing charges	36,710	36,710
Total	<u>\$ 1,798,827</u>	<u>\$ 2,259,517</u>

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, 2022 and June 30, 2021. The oversizing charges balance totaled \$36,710 at June 30, 2022 and June 30, 2021.

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 \$1.2 million at June 30, 2022 and \$1.6 million at June 30, 2021.

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

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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, 2022 and 2021:

	2022	2021
Regional infrastructure charges	\$ 127,007,226	\$ 120,852,948
Regional connection charges, net of refunds	54,939,284	64,198,470
Regional commodity charges	51,682,437	50,212,998
Regional reliability surcharges	4,404,014	4,103,043
Total	<u>\$ 238,032,961</u>	<u>\$ 239,367,459</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 \$5.2 million at June 30, 2022 and \$3.5 million at June 30, 2021 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 \$102.9 million at June 30, 2022 and \$38.2 million at June 30, 2021 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 \$3.7 million at June 30, 2022 and \$2.5 million at June 30, 2021 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.

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 2022 and 2021.

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 2022 and 2021. 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. As of July 1, 2021, the lease has been accounted for in compliance with GASB Statement No. 87, *Leases*. See Note 11.

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The SNWA's current fiscal year Annual Report is available at www.snwa.com. Also, requests for current and prior fiscal 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 2022, the District billed the SNWA \$145.9 million for expenditures made on behalf of the SNWA. During fiscal year 2021, the District billed the SNWA \$147.6 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 \$100.3 million and \$99.7 million for the fiscal year ended June 30, 2022 and 2021, 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 \$0.1 million at June 30, 2022 and \$0.3 million at June 30, 2021.

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, 2022 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, 2021, was \$2.5 million 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 District has allocated to and recorded \$2.0 million at June 30, 2022 and \$0.7 million at June 30, 2021 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 \$71,746 at June 30, 2022 and \$46,452 at June 30, 2021 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.

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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 have limits of \$100 million and \$50 million respectively, and deductibles of \$1 million and \$0.1 million respectively. The District purchases terrorism insurance for all locations with a blanket limit of \$250 million for all terrorist acts with a \$10,000 deductible. The District also purchases a variety of additional smaller insurance policies to meet operational needs and risk thresholds.

The District self-insures the first \$1 million for automobile and general liability exposure through a captive (LVVWD CI), and purchases excess liability insurance in the amount of \$20 million. Employee fidelity insurance in the amount of \$3 million and other miscellaneous coverage are also purchased. For the fiscal year ended June 30, 2022, the District had no significant reductions in insurance coverage from the prior two fiscal years.

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 \$50 million per occurrence, based on the value reported for the project, subject to a \$50,000 deductible per occurrence, except earthquake and flood, which have a deductible of \$0.5 million per occurrence. The builder's risk insurance is included under the property insurance policy.

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, 2022 and 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 2022 and 2021, 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 Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Ending Fiscal Year Liability
2022	\$ 2,849,000	\$ 896,000	\$ (1,126,000)	\$ 2,619,000
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
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NOTE 15. CAPITAL CONTRIBUTIONS

For the fiscal years ended June 30, 2022 and 2021, capital contributions, excluding unearned revenue, are as follows:

	2022	2021
Facilities connection charges, net of refunds	\$ 23,578,591	\$ 33,131,271
Mains and services	13,412,734	16,663,844
Fees and other contributions	12,925,597	3,067,355
Oversizing charges, net of refunds	3,040,972	4,404,910
Springs Preserve	637,272	439,042
Frontage connection charges	677,382	1,069,198
Total capital contributions	<u>\$ 54,272,548</u>	<u>\$ 58,775,620</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, 2022 and 2021, commitments for unperformed work on outstanding contracts totaled \$46.4 million and \$33.2 million, respectively.

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, 2022, the District had commitments totaling \$27.1 million related to its forward energy contracts. As of June 30, 2021, the District had commitments totaling \$17.4 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.

LAS VEGAS VALLEY WATER DISTRICT
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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. 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.

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. The measurement date for the District's OPEB disclosures is June 30, 2022. A summary of the OPEB plan's financial statements for the fiscal years ended June 30, 2022 and 2021 is presented in the following tables.

Las Vegas Valley Water District Nevada OPEB Plan
Net Position Restricted for Postemployment Benefits
June 30, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 2,629,887	\$ 2,626,284
Investments at fair value:		
Nevada Retirement Benefits Investment Trust	21,074,259	23,256,736
TOTAL ASSETS	23,704,146	25,883,020
LIABILITIES	—	—
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS	<u>\$ 23,704,146</u>	<u>\$ 25,883,020</u>

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Las Vegas Valley Water District Nevada OPEB Plan
Changes in Net Position Restricted for Postemployment Benefits
For the Fiscal Years Ended June 30, 2022 and 2021

	2022	2021
ADDITIONS		
Employer contributions	\$ 2,340,641	\$ 2,388,632
Investment earnings:		
Interest	\$ 393,142	\$ 365,429
Net change in fair value of investments	(2,563,902)	4,649,337
Total investment (loss) earnings	(2,170,760)	5,014,766
Less investment expense	(7,114)	(5,973)
Net investment (loss) earnings	(2,177,874)	5,008,793
Total additions	162,767	7,397,425
DEDUCTIONS		
Benefit payments	2,340,641	2,388,632
Administrative and general	1,000	1,000
Total deductions	2,341,641	2,389,632
NET (DECREASE) INCREASE IN NET POSITION	(2,178,874)	5,007,793
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS		
Beginning of year	25,883,020	20,875,227
End of year	<u>\$ 23,704,146</u>	<u>\$ 25,883,020</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.

LAS VEGAS VALLEY WATER DISTRICT
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At fiscal year-end June 30, participants in the plan consist of the following:

Participant Count	2022	2021
Active employees	1,297	1,297
Inactive employees, currently receiving benefits	157	157
Total participants	<u>1,454</u>	<u>1,454</u>

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 \$1.8 million for the fiscal year ended June 30, 2022. The District's contribution is based upon pay-as-you-go financing. For the fiscal year ended June 30, 2022, the District's contribution was \$2.3 million which is equal to the estimated benefit payments. For the fiscal year ended June 30, 2021, the District's contribution was \$2.4 million which was equal to the estimated benefit payments. The District contributed \$0.5 million in excess of the ADC for the fiscal year ended June 30, 2022 and \$0.1 million in excess of ADC for the fiscal year ended June 30, 2021.

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, 2022 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, 2022 and as of June 30, 2021, are calculated using a discount rate equal to the expected investment return on assets held in the OPEB Trust.

LAS VEGAS VALLEY WATER DISTRICT
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The components of net OPEB liability are:

	As of June 30, 2022	As of June 30, 2021
Total OPEB liability	\$ 33,455,960	\$ 32,444,399
Fiduciary net position	23,704,146	25,883,020
Net OPEB liability	\$ 9,751,814	\$ 6,561,379
Fiduciary net position as a percent of total OPEB liability	70.90 %	79.80 %
 Covered employee payroll	 \$ 128,787,479	 \$ 137,381,602
Net OPEB liability as a percent of covered employee payroll	7.57 %	4.78 %
Valuation date	July 1, 2020	July 1, 2020
Measurement date	June 30, 2022	June 30, 2021
GASB No. 75 reporting date	June 30, 2022	June 30, 2021
 Discount rate	 6.50 %	 6.50 %

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, 2022		
	1% Decrease In Discount Rate	Discount Rate	1% Increase In Discount Rate
<u>Sensitivity Analysis</u>	5.50 %	6.50 %	7.50 %
Net OPEB liability	\$ 12,673,963	\$ 9,751,814	\$ 7,104,990
	As of June 30, 2021		
	1% Decrease In Discount Rate	Discount Rate	1% Increase In Discount Rate
<u>Sensitivity Analysis</u>	5.50 %	6.50 %	7.50 %
Net OPEB liability	\$ 9,389,006	\$ 6,561,379	\$ 4,004,778

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, 2022		
	1% Decrease in Healthcare Cost Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
<u>Sensitivity Analysis</u>			
Net OPEB liability	\$ 5,868,047	\$ 9,751,814	\$ 14,336,081

LAS VEGAS VALLEY WATER DISTRICT
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	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	\$ 3,110,877	\$ 6,561,379	\$ 10,618,936

Actuarial Assumptions June 30, 2022

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 5.50 percent in 2073
Salary increases	3 percent
Discount rate	The discount rate used to measure the total OPEB liability was 6.50 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;

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Actuarial Assumptions June 30, 2021

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 6.50 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, 2021	\$ 32,444,399	\$ 25,883,020	\$ 6,561,379
Service cost	1,237,736	—	1,237,736
Interest on the total OPEB liability	2,114,466	—	2,114,466
Benefit payments	(2,340,641)	(2,340,641)	—
Contributions from employer	—	2,340,641	(2,340,641)
Net investment income	—	(2,177,874)	2,177,874
Administrative expenses	—	(1,000)	1,000
Total changes	1,011,561	(2,178,874)	3,190,435
Balance as of June 30, 2022	\$ 33,455,960	\$ 23,704,146	\$ 9,751,814

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

	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	<u>\$ 32,444,399</u>	<u>\$ 25,883,020</u>	<u>\$ 6,561,379</u>

Changes in Actuarial Assumptions

For the fiscal years ended June 30, 2022, and June 30, 2021, no amounts were reported as changes of assumptions. The District did not incorporate any changes in actuarial assumptions from the prior years.

OPEB Benefit/Expense

Total employer OPEB benefit was \$(0.6) million for the fiscal year ended June 30, 2022 and OPEB benefit was \$(1.2) million for the fiscal year ended June 30, 2021.

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

	As of June 30, 2022	
	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (2,363,865)	\$ 420,290
Changes of assumptions	(7,200,272)	—
Net difference between projected and actual earnings	—	1,072,244
Total	<u>\$ (9,564,137)</u>	<u>\$ 1,492,534</u>

	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>

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

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
2023	\$ (2,249,521)
2024	(2,249,522)
2025	(2,337,129)
2026	(765,455)
2027	(299,086)
Thereafter	(170,890)

Investment Rate of Return

The target allocation and best estimates of expected nominal rate of return for each major asset class as of June 30, 2022 and June 30, 2021 are summarized in the following table:

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%

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, 2022, the OPEB Trust had the following investments (carrying value excludes accrued interest):

Investment Type	Carrying Value	Percent of Total
Cash and cash equivalents	\$ 2,629,887	11.1 %
Nevada Retirement Benefits Investment Fund	21,074,259	88.9
Total	<u>\$ 23,704,146</u>	

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>	

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

Rate of Return

For the fiscal year ended June 30, 2022, the annual money-weighted rate of return on OPEB trust investments, net of pension plan investment expense, was (8.4) percent. For the fiscal year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of OPEB trust investment expense, was 24.0 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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 2022 and 2021, employee contributions for this purpose were \$1.1 million and \$1.0 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 Public Employee Retirement System (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 fiscal years ended June 30, 2022 and 2021 is presented in the following tables.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

Las Vegas Valley Water District Pension Plan
Net Position Restricted for Pension Benefits
June 30, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 2,472,214	\$ 3,522,927
Insurance accounts at contract value	7,535,443	6,260,627
Investments at fair value:		
Domestic equity funds	296,375,820	356,665,117
Domestic bond funds	202,360,263	211,063,057
International equity fund	82,493,894	102,605,126
Real assets	72,068,806	69,176,088
Total investments at fair value	653,298,783	739,509,388
Total investments	663,306,440	749,292,942
Accrued interest receivable	150,173	77,919
TOTAL ASSETS	663,456,613	749,370,861
LIABILITIES		
Accounts payable	210,439	172,930
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u>\$ 663,246,174</u>	<u>\$ 749,197,931</u>

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

Las Vegas Valley Water District Pension Plan
Changes in Net Position Restricted for Pension Benefits
For the Fiscal Years Ended June 30, 2022 and 2021

	2022	2021
ADDITIONS		
Employer contributions	\$ 45,000,000	\$ 45,116,398
Employee contributions	1,109,816	1,020,477
Total contributions	46,109,816	46,136,875
Investment earnings:		
Interest	280,738	237,685
Net change in fair value of investments	(99,197,752)	168,487,673
Total investment (loss) earnings	(98,917,014)	168,725,358
Less investment expense	(481,298)	(374,704)
Net investment (loss) earnings	(99,398,312)	168,350,654
Total additions	(53,288,496)	214,487,529
DEDUCTIONS		
Administrative and general	401,950	383,043
Benefits	32,261,311	25,067,547
Total deductions	32,663,261	25,450,590
NET (DECREASE) INCREASE IN NET POSITION	(85,951,757)	189,036,939
NET POSITION RESTRICTED FOR PENSION BENEFITS		
Beginning of year	749,197,931	560,160,992
End of year	\$ 663,246,174	\$ 749,197,931

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, 2022 and 2021

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, 2022 and 2021, participants in the plan consist of the following:

	2022	2021
Participant Count		
Retirees for whom annuities were purchased but are due future cost of living adjustments	277	293
Terminated employees not yet receiving benefits	394	353
Retirees paid monthly from plan	607	544
Active employees - fully vested	902	926
- nonvested	198	269
Total active employees	1,100	1,195
Total participants	2,378	2,385

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 \$5.9 million and \$3.6 million for the fiscal years ended June 30, 2022 and June 30, 2021, 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, 2022 and 2021

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 (ADC) when due. This amount was determined to be \$40.5 million and \$40.3 million for the fiscal years ended June 30, 2022 and June 30, 2021, respectively. The actual amount contributed by the District for the fiscal year ended June 30, 2022 was \$45.0 million, or \$4.5 million in excess of the ADC. The actual employer contribution from the District for the fiscal year ended June 30, 2021 was \$45.1 million, or \$4.8 million in excess of the ADC.

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.

The components of net pension liability are:

	As of June 30, 2022	As of June 30, 2021
Total pension liability	\$ 931,264,040	\$ 849,921,457
Fiduciary net position	663,246,175	749,197,931
Net pension liability	\$ 268,017,865	\$ 100,723,526
Fiduciary net position as a percent of total pension liability	71.22 %	88.15 %
 Covered payroll	 \$ 128,787,479	 \$ 137,381,602
Net pension liability as a percent of covered payroll	208.11 %	73.32 %
 Valuation date	 June 30, 2021	 June 30, 2020
Measurement date	June 30, 2022	June 30, 2021
GASB No. 67 reporting date	June 30, 2022	June 30, 2021
 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

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

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, 2022	As of June 30, 2021
Fiduciary Net Position as a Percent of Total Pension Liability	71.22%	90.09%

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, 2022		
Sensitivity Analysis	1% Decrease In Discount Rate 5.75%	Discount Rate 6.75%	1% Increase In Discount Rate 7.75%
Total pension liability	\$ 1,074,156,965	\$ 931,264,040	\$ 813,334,001
Fiduciary net position	663,246,175	663,246,175	663,246,175
Net pension liability	<u>\$ 410,910,790</u>	<u>\$ 268,017,865</u>	<u>\$ 150,087,826</u>

	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	<u>\$ 230,190,891</u>	<u>\$ 100,723,526</u>	<u>\$ (6,399,836)</u>

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

Actuarial Assumptions June 30, 2022

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 14 to 20 years. Bases established between July 1, 2009 and July 1, 2015 have remaining amortization periods ranging from 17 to 23 years.
Inflation	2.75 percent per year
Salary increases	4.20 percent to 9.10 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 - Pub-2010 General tables projected generationally with Projection Scale MP-2020. Healthy annuitant rates are increased by 30% for males and 15% for females. Beneficiary rates are increased 15% for males and 30% for females. Contingent beneficiary rates are increased 30% for males and 15% for females. Disabled Participants - Pub-2010 Disabled tables projected generationally with Projection Scale MP-2020. Disabled rates are increased by 20% for males and 15% for females

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Actuarial Assumptions June 30, 2021

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, 2022 and 2021

Changes in Net Pension Liability

	Total Pension Liability	Increase/ Decrease Plan Fiduciary Net Position	Net Pension Liability
Balance as of June 30, 2021	\$ 849,921,457	\$ 749,197,931	\$ 100,723,526
Service cost	21,176,049	—	21,176,049
Interest on the total pension liability	57,728,041	—	57,728,041
Differences between actual and expected experience with regard to economic or demographic factors	(3,430,285)	—	(3,430,285)
Changes of assumptions	37,020,273	—	37,020,273
Contributions from employer	—	45,000,000	(45,000,000)
Purchase of service payments	1,109,815	1,109,815	—
Net investment income	—	(99,398,311)	99,398,311
Benefit payments	(32,261,310)	(32,261,310)	—
Administration expense	—	(401,950)	401,950
Total changes	81,342,583	(85,951,756)	167,294,339
Balance as of June 30, 2022	\$ 931,264,040	\$ 663,246,175	\$ 268,017,865

	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

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

Changes in Actuarial Assumptions

For the fiscal year ending June 30, 2022, amounts reported as changes of assumptions resulted primarily from changes in assumed increases in life expectancies. In addition, future salary increases were assumed to rise and withdrawal rates were assumed to decrease. For the fiscal year ending June 30, 2021, no amounts were reported as changes of assumptions. The District did not incorporate any changes in actuarial assumptions from the prior years.

Pension Expense

Total employer pension expense was \$50.4 million for the fiscal year ended June 30, 2022 and \$19.4 million for the fiscal year ended June 30, 2021.

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

The District reported the following deferred inflows of resources and deferred outflows of resources related to pension:

	As of June 30, 2022	
	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (4,618,290)	\$ 12,429,375
Changes of assumptions	—	45,922,561
Net difference between projected and actual earnings	—	49,329,942
Total	<u>\$ (4,618,290)</u>	<u>\$ 107,681,878</u>

	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	<u>\$ (101,515,363)</u>	<u>\$ 42,722,611</u>

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
2023	\$ 24,770,986
2024	22,127,604
2025	14,205,912
2026	37,719,074
2027	4,240,012
Thereafter	—

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

Investment Rate of Return

The target allocation and best estimates of expected nominal rate of return for each major asset class as of June 30, 2022 are summarized in the following table:

Asset Class	Expected Nominal Return	Target Asset Allocation
Large cap U.S. equities	7.65%	31.50%
Small/mid cap U.S. equities	8.69%	13.50%
International equities	9.25%	15.00%
Core fixed income	3.67%	22.00%
High-yield bonds	6.25%	5.00%
Real assets	7.75%	10.00%
Expected average return (75 years)		6.97%
Expected geometric average return (75 years)		6.22%

The target allocation and best estimates of expected nominal rate of return for each major asset class as of June 30, 2021 are summarized in the following table:

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.

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

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

At June 30, 2022, 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	\$ 2,472,214	0.4%
Equity securities	378,869,714	57.1
Fixed income securities	209,895,706	31.6
Real assets	72,068,806	10.9
Total	<u>\$ 663,306,440</u>	<u>100.0%</u>

Investment	Maturities		Carrying Value
Money market	Weighted average	17 days	\$ 2,472,214
U.S. equity securities ¹	N/A		296,375,820
International equity securities	N/A		82,493,894
U.S. fixed income securities	Weighted average	8.5 years	170,151,620
High-yield fixed income securities	Weighted average	5.6 years	32,208,643
Real assets	N/A		72,068,806
Insurance contracts	Open		7,535,443
Total			<u>\$ 663,306,440</u>

¹ This investment category includes approximately 76.4 percent large cap and 23.6 percent small and mid-cap domestic equity investments.

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>

LAS VEGAS VALLEY WATER DISTRICT
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

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>

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

Credit Exposure As a Percentage of Total Fixed-Income Investments

	2022	2021
Domestic bond fund	81.1%	80.2%
High-yield bond fund	15.3	17.0
Insurance contracts	3.6	2.9

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, 2022 and AA3 at June 30, 2021 for the underlying securities. The managing institution of the high-yield bond fund reports an average quality rating of B1 at June 30, 2022 and B1 at June 30, 2021 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, 2022 or June 30, 2021.

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, 2022 and at June 30, 2021.

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (12.8) percent. 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. 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, 2022 and 2021

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, 2022 and 2021:

	June 30, 2022	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	\$ 2,472,214	\$ 2,472,214	\$ —	\$ —
U.S. equities securities	296,375,820	296,375,820	—	—
International equities securities	82,493,894	82,493,894	—	—
U.S. fixed income securities	170,151,620	—	170,151,620	—
High-yield fixed income securities	32,208,643	—	32,208,643	—
Real assets	72,068,806	72,068,806	—	—
Insurance contracts	7,535,443	—	7,535,443	—
Total	\$ 663,306,440	\$ 453,410,734	\$ 209,895,706	\$ —

	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	\$ —

NOTE 20. SUBSEQUENT EVENTS

Management has evaluated subsequent events for disclosure and recognition through October 18, 2022, the issuance date of these financial statements, and there were no material events that required disclosure.

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**REQUIRED
SUPPLEMENTARY
INFORMATION
(Unaudited)**



**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

	<u>2022</u>	<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>
Total pension liability - beginning 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	\$401,160,155	n/a
Service cost	21,176,049	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
Purchase of service payments	1,109,815	1,020,477	601,900	121,713	635,292	118,901	217,031	1,595,551	599,685	n/a
Interest on the total pension liability	57,728,041	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
with regard to economic or demographic factors	(3,430,285)	7,010,669	10,961,781	5,641,488	(6,502,587)	(1,814,066)	11,610,487	(3,995,933)	—	n/a
Changes of assumptions	37,020,273	—	—	11,200,477	42,821,654	7,879,481	—	—	—	n/a
Benefit payments	(32,261,310)	(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
Total changes	81,342,583	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
Total pension liability - end of year	\$931,264,040	\$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
Fiduciary net position - beginning 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	\$213,998,078	n/a
Contributions from employer	45,000,000	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
Purchase of service payments	1,109,815	1,020,477	601,900	121,713	635,292	118,901	217,031	1,595,551	599,685	n/a
Net investment income	(99,398,311)	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
Benefit payments	(32,261,310)	(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
Administrative expenses	(401,950)	(383,041)	(359,805)	(379,251)	(398,691)	(344,057)	(370,847)	(370,040)	(277,319)	n/a
Total changes	(85,951,756)	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
Fiduciary net position - end of year	\$663,246,175	\$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
Net pension liability	\$268,017,865	\$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
Fiduciary net position as a % of total pension liability	71.22 %	88.15 %	70.88 %	70.50 %	69.07 %	67.93 %	61.92 %	64.34 %	62.03 %	n/a
Covered payroll	\$128,787,479	\$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
Net pension liability as a % of covered payroll	208.11 %	73.32 %	175.59 %	169.73 %	170.49 %	158.56 %	183.85 %	151.82 %	137.75 %	n/a

Notes to Schedule

In 2022, amounts reported as Changes of Assumptions resulted primarily from changes in assumed life expectancies as a result of adopting Pub-2010 General tables projected generational using Scale MP-2020, with healthy annuitant rates increased by 30 percent for males and 15 percent for females, beneficiary rates increased by 15 percent for males and 30 percent for females, and contingent beneficiary rates increased by 30 percent for males and 15 percent for females. The prior year valuation used the 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. For fiscal year ending June 30, 2022, future salary increases were assumed to range from 9.1 percent for employees with less than 1 year of service to 4.2 percent for employees with 20 or more years of service. The prior year valuation assumed future salary increases ranging from 9.15 percent for employees with less than 1 year of service to 4.25 percent for employees with 15 or more years of service. Assumed withdrawal rates for fiscal year ending June 30, 2022 ranged from 15.75 percent at 0 years of service to 1.5 percent for employees with 24 or more years of service. The prior year valuation assumed withdrawal rates ranging from 16 percent at 0 years of service to 1.75 percent for employees with 17 or more years of service.

The required supplementary information is presented for fiscal years 2014 through 2022, 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
2022	\$ 40,463,399	\$ 45,000,000	(4,536,601)	\$ 128,787,479	34.94 %
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

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

Schedule B-2

Notes to Schedule

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

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 14 to 20 years. Bases established between July 1, 2009 and July 1, 2015 have remaining amortization periods ranging from 17 to 23 years.
Inflation	2.75 percent per year
Salary increases	4.20 percent to 9.10 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 - Pub-2010 General tables projected generationally with Projection Scale MP-2020. Healthy annuitant rates are increased by 30% for males and 15% for females. Beneficiary rates are increased 15% for males and 30% for females. Contingent beneficiary rates are increased 30% for males and 15% for females. Disabled Participants - Pub-2010 Disabled tables projected generationally with Projection Scale MP-2020. Disabled rates are increased by 20% for males and 15% for females
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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actual money-weighted rate of return, net of investment expense	(12.81)%	28.50 %	4.20 %	7.03 %	10.42 %	13.92 %	1.20 %	4.54 %	15.99 %	9.15%

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.

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

	<u>2022</u>	<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>
Total OPEB liability - beginning of year	\$ 32,444,399	\$ 32,629,385	\$ 32,322,907	\$ 45,901,520	\$ 45,166,019	n/a	n/a	n/a	n/a	n/a
Service cost	1,237,736	1,162,193	1,153,443	2,641,800	2,570,819	n/a	n/a	n/a	n/a	n/a
Interest on the total OPEB liability	2,114,466	2,054,215	2,098,200	1,831,143	1,670,930	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
Changes of assumptions	—	(1,576,988)	(514,175)	(10,576,430)	(1,361,784)	n/a	n/a	n/a	n/a	n/a
Benefit payments	(2,340,641)	(2,388,632)	(2,430,990)	(2,477,429)	(2,144,464)	n/a	n/a	n/a	n/a	n/a
Total changes	1,011,561	(184,986)	306,478	(13,578,613)	735,501	n/a	n/a	n/a	n/a	n/a
Total OPEB liability - end of year	\$ 33,455,960	\$ 32,444,399	\$ 32,629,385	\$ 32,322,907	\$ 45,901,520	n/a	n/a	n/a	n/a	n/a
Fiduciary net position - beginning of year	\$ 25,883,020	\$ 20,875,227	\$ 20,012,456	\$ —	\$ —	n/a	n/a	n/a	n/a	n/a
Contributions from employer	2,340,641	2,388,632	2,430,990	22,477,429	2,144,464	n/a	n/a	n/a	n/a	n/a
Net investment income	(2,177,874)	5,008,793	865,202	12,456	—	n/a	n/a	n/a	n/a	n/a
Benefit payments	(2,340,641)	(2,388,632)	(2,430,990)	(2,477,429)	(2,144,464)	n/a	n/a	n/a	n/a	n/a
Administrative expenses	(1,000)	(1,000)	(2,431)	—	—	n/a	n/a	n/a	n/a	n/a
Total changes	\$ (2,178,874)	\$ 5,007,793	\$ 862,771	\$ 20,012,456	\$ —	n/a	n/a	n/a	n/a	n/a
Fiduciary net position - end of year	23,704,146	25,883,020	20,875,227	20,012,456	—	n/a	n/a	n/a	n/a	n/a
Net OPEB liability	\$ 9,751,814	\$ 6,561,379	\$ 11,754,158	\$ 12,310,451	\$ 45,901,520	n/a	n/a	n/a	n/a	n/a
Fiduciary net position as a percent of total OPEB liability	70.85 %	79.78 %	63.98 %	61.91 %	— %	n/a	n/a	n/a	n/a	n/a
Covered employee payroll	\$ 128,787,479	\$ 137,381,602	\$ 131,072,050	\$ 126,775,776	\$ 120,874,059	n/a	n/a	n/a	n/a	n/a
Net OPEB liability as a percent of covered employee payroll	7.57 %	4.78 %	8.97 %	9.71 %	37.97 %	n/a	n/a	n/a	n/a	n/a

Notes to Schedule

Changes of assumptions For fiscal year 2022, there were no changes in 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 2022, 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
2022	\$ 2,203,229	\$ 2,340,641	(137,412)	\$ 128,787,479	1.82%
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

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 5.50 percent in 2073
Salary increases	3 percent
Discount rate	The discount rate used to measure the total OPEB liability was 6.50 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;

The required supplementary information is presented for fiscal year 2018 through 2022, 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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actual money-weighted rate of return, net of investment expense	(8.42)%	23.99 %	4.37 %	— %	n/a	n/a	n/a	n/a	n/a	n/a

GASB No. 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 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 2022, 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.

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**Supplementary
Information
(Unaudited)**



**LAS VEGAS VALLEY
WATER DISTRICT™**

LAS VEGAS VALLEY WATER DISTRICT
Supplementary Information (Unaudited)
Budgetary Comparison - Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2022

	Budget ¹	Actual
OPERATING REVENUES		
Water sales	\$ 404,115,785	\$ 400,207,485
Inspection and application fees	979,297	3,825,425
Springs Preserve	1,895,496	1,699,744
Other	—	753,804
Total operating revenues	406,990,578	406,486,458
OPERATING EXPENSES		
Salaries and benefits	151,963,017	125,154,506
Purchased water	105,649,878	100,294,880
Purchased energy	9,352,000	10,001,647
Operations and maintenance	51,282,774	39,913,114
Depreciation	94,062,386	89,618,432
Total operating expenses	412,310,055	364,982,579
OPERATING (LOSS) / INCOME	(5,319,477)	41,503,879
NONOPERATING (EXPENSES) / REVENUES		
Interest expense	(37,224,847)	(23,801,967)
Interest and investment income (loss), unrestricted	5,191,710	(24,210,612)
Interest and investment income, restricted	214,273	675,442
Other	—	2,570,400
Total nonoperating expenses	(31,818,864)	(44,766,737)
(LOSS) / INCOME BEFORE CONTRIBUTIONS	(37,138,341)	(3,262,858)
Capital contributions	28,273,458	54,272,548
CHANGE IN NET POSITION	\$ (8,864,883)	\$ 51,009,690

¹According 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
Supplementary Information (Unaudited)
Budgetary Comparison - Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

	Budget ¹	Actuals
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 406,990,578	\$ 404,079,034
Other cash receipts	—	1,822,241
Cash payments to employees for services	(151,963,017)	(126,423,445)
Cash payments to suppliers for goods and services	(166,284,652)	(142,113,904)
Other cash payments	(10,000,000)	(1,424)
Net cash provided by operating activities	78,742,909	137,362,502
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(153,930,862)	(79,446,412)
Capital contributed	28,273,458	42,797,592
Proceeds from sale of property and equipment	—	305,845
Right of use leases	—	(1,994,023)
Proceeds from debt issuance	74,989,681	75,096,863
Principal paid on debt	(42,228,454)	(40,786,439)
Interest paid (net of subsidy)	(37,224,847)	(33,045,220)
Construction deposits	—	14,974,309
Net cash (used in) provided by capital and related financing activities	(130,121,024)	(22,097,485)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investment securities	(727,844,249)	(428,553,893)
Proceeds from sales and maturities of investment securities	838,137,692	439,669,202
Interest on investments	5,407,983	7,374,058
Net cash provided by (used in) investing activities	115,701,426	18,489,367
NET DECREASE IN CASH AND CASH EQUIVALENTS	64,323,311	133,754,384
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(53,182,525)	543,645
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 11,140,786	\$ 134,298,029

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
Supplementary Information (Unaudited)
Combining Statements of Fiduciary Net Position
As of June 30, 2022 (with comparative 2021)

			Combined Total	
	Pension	Other Postemployment Benefit	2022	2021
ASSETS				
Cash and cash equivalents	\$ 2,472,214	\$ 2,629,887	\$ 5,102,101	\$ 6,149,211
Insurance accounts at contract value	7,535,443	—	7,535,443	6,260,627
Investments at fair value:				
Domestic equity funds	296,375,820	—	296,375,820	356,665,117
Domestic bond funds	202,360,263	—	202,360,263	211,063,057
International equity fund	82,493,894	—	82,493,894	102,605,126
Real assets	72,068,806	—	72,068,806	69,176,088
Nevada Retirement Benefits Investment Trust	—	21,074,259	21,074,259	23,256,736
Total investments at fair value	653,298,783	21,074,259	674,373,042	762,766,124
 Total investments	 663,306,440	 23,704,146	 687,010,586	 775,175,962
 Accrued interest receivable	 150,173	 —	 150,173	 77,919
 TOTAL ASSETS	 663,456,613	 23,704,146	 687,160,759	 775,253,881
LIABILITIES				
Accounts payable	210,439	—	210,439	172,930
 NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS	 \$ 663,246,174	 \$ 23,704,146	 \$ 686,950,320	 \$ 775,080,951

LAS VEGAS VALLEY WATER DISTRICT
Supplementary Information (Unaudited)
Combining Statements of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2022 (with comparative 2021)

			Combined Total	
	Pension	Other Postemployment Benefit	2022	2021
ADDITIONS				
Employer contributions	\$ 45,000,000	\$ 2,340,641	\$ 47,340,641	\$ 47,505,030
Employee contributions	1,109,816	—	1,109,816	1,020,477
Investment earnings:				
Interest	280,738	393,142	673,880	603,114
Net change in fair value of investments	(99,197,752)	(2,563,902)	(101,761,654)	173,137,010
Total investment (loss) earnings	(98,917,014)	(2,170,760)	(101,087,774)	173,740,124
Less investment expense	(481,298)	(7,114)	(488,412)	(380,677)
Net investment (loss) earnings	(99,398,312)	(2,177,874)	(101,576,186)	173,359,447
Total additions	(53,288,496)	162,767	(53,125,729)	221,884,954
DEDUCTIONS				
Administrative and general	401,950	1,000	402,950	384,043
Benefits	32,261,311	2,340,641	34,601,952	27,456,179
Total deductions	32,663,261	2,341,641	35,004,902	27,840,222
NET (DECREASE) INCREASE IN NET POSITION	(85,951,757)	(2,178,874)	(88,130,631)	194,044,732
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS				
Beginning of year	749,197,931	25,883,020	775,080,951	581,036,219
End of year	<u>\$ 663,246,174</u>	<u>\$ 23,704,146</u>	<u>\$ 686,950,320</u>	<u>\$ 775,080,951</u>

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
2022	\$ 896,231,844	\$ 13,134,332	\$ 419,022,904	\$ 1,328,389,080
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

¹ The 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.

² The 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

	2022	Restated 2021	2020	2019	2018
OPERATING REVENUES					
Water sales	\$400,207,485	\$393,153,616	\$367,251,189	\$368,415,325	\$366,696,687
Inspection and application fees	3,825,425	4,311,045	3,091,750	3,106,856	2,788,421
Springs Preserve	1,699,744	387,554	1,965,658	3,047,093	2,756,528
Other	753,804	11,845	12,260	76,631	66,489
Total operating revenues	406,486,458	397,864,060	372,320,857	374,645,905	372,308,125
OPERATING EXPENSES					
Salaries and benefits	125,154,506	105,327,388	127,544,943	120,420,009	120,070,807
Purchased water	100,294,880	99,660,851	101,774,269	91,499,814	92,830,073
Purchased energy	10,001,647	8,536,620	8,396,835	9,106,323	9,771,761
Operations and maintenance	39,913,114	34,658,532	38,356,612	19,716,797	33,142,369
Total operating expenses	275,364,147	248,183,391	276,072,659	240,742,943	255,815,010
Operating income before depreciation expense	131,122,311	149,680,669	96,248,198	133,902,962	116,493,115
Depreciation	(89,618,432)	(87,549,606)	(85,511,260)	(85,670,125)	(84,232,472)
OPERATING INCOME (LOSS)	41,503,879	62,131,063	10,736,938	48,232,837	32,260,643
NONOPERATING (EXPENSES)/REVENUES					
Interest expense	(23,801,967)	(19,675,280)	(20,525,776)	(29,831,391)	(26,660,604)
Interest and investment income (loss), unrestricted	(24,210,612)	(621,173)	20,110,119	17,227,950	2,256,083
Interest and investment income, restricted	675,442	1,567,235	829,668	1,729,519	440,982
Other ¹	2,570,400	2,445,211	2,134,696	2,729,650	2,769,822
Total nonoperating (expenses) / revenues	(44,766,737)	(16,284,007)	2,548,707	(8,144,272)	(21,193,717)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(3,262,858)	45,847,056	13,285,645	40,088,565	11,066,926
Capital contributions	54,272,548	58,775,620	40,927,158	38,454,955	32,863,453
CHANGE IN NET POSITION	\$ 51,009,690	\$104,622,676	\$ 54,212,803	\$ 78,543,520	\$ 43,930,379

¹ Gain (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

	2017	2016	2015	2014	2013
OPERATING REVENUES					
Water sales	\$349,945,542	\$334,838,222	\$331,653,871	\$333,851,405	\$332,465,011
Inspection and application fees	2,097,655	2,443,875	3,612,475	2,811,054	1,562,178
Springs Preserve	2,784,944	2,643,382	2,443,004	2,254,947	2,056,183
Other	60,374	60,910	81,075	30,113	31,527
Total operating revenues	354,888,515	339,986,389	337,790,425	338,947,519	336,432,153
OPERATING EXPENSES					
Salaries and benefits	113,855,792	111,233,386	110,358,533	113,983,019	114,310,095
Purchased water	90,345,870	87,093,101	84,918,440	84,985,143	83,290,163
Purchased energy	9,019,972	9,761,793	11,328,302	9,718,597	10,005,417
Operations and maintenance	37,511,121	35,224,542	39,392,144	44,281,480	38,752,799
Total operating expenses	250,732,755	243,312,822	245,997,419	252,968,239	246,358,474
Operating income before depreciation expense	104,155,760	96,673,567	91,793,006	85,979,280	90,073,679
Depreciation	(83,928,107)	(81,861,319)	(80,750,035)	(84,814,023)	(83,495,332)
OPERATING INCOME (LOSS)	20,227,653	14,812,248	11,042,971	1,165,257	6,578,347
NONOPERATING (EXPENSES)/REVENUES					
Interest expense	(27,777,621)	(28,545,553)	(34,632,256)	(36,422,644)	(36,458,533)
Interest and investment income (loss), unrestricted	1,042,888	2,577,164	1,265,650	1,094,644	256,072
Interest and investment income, restricted	269,500	202,125	248,210	381,689	235,726
Other ¹	2,386,071	702,547	(1,905,908)	(3,063,090)	(3,908,783)
Total nonoperating (expenses) / revenues	(24,079,162)	(25,063,717)	(35,024,304)	(38,009,401)	(39,875,518)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(3,851,509)	(10,251,469)	(23,981,333)	(36,844,144)	(33,297,171)
Capital contributions	37,040,324	35,847,446	34,526,142	30,695,851	20,191,789
CHANGE IN NET POSITION	\$ 33,188,815	\$ 25,595,977	\$ 10,544,809	\$ (6,148,293)	\$ (13,105,382)

¹ Gain (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

	2022	2021	2020	2019	2018
Water Consumption ² (thousands of gallons)					
Residential - single service	45,343,335	47,982,813	45,554,902	45,499,488	47,527,027
Residential - duplex, triplex/fourplex	624,320	653,279	660,715	661,476	685,307
Apts., condos & townhouses	17,604,323	17,661,457	16,705,144	16,850,057	16,781,540
Residential, other	1,098,165	1,157,738	1,114,143	1,079,565	1,083,384
Hotels	9,006,213	7,483,930	7,900,286	9,499,444	9,774,410
Motels	1,130,384	1,104,570	1,039,614	1,151,395	1,200,092
Community facilities	2,038,131	2,170,842	2,079,438	2,070,984	2,174,214
Schools	1,761,292	1,602,277	1,638,574	1,711,504	1,759,977
Fireline	769,133	603,767	600,459	533,846	520,938
Irrigation	14,518,074	15,755,749	14,723,329	13,926,159	14,613,277
Commercial/business	9,001,997	8,807,756	8,546,105	9,135,117	9,027,023
Recreational	213,018	211,574	210,389	220,265	219,883
Industrial	1,415,643	1,326,884	1,286,408	1,407,321	1,413,027
Construction water	1,462,375	1,955,374	1,360,289	1,375,426	1,503,683
Other	1,056,895	823,799	881,736	551,256	626,770
Total consumption	107,043,297	109,301,809	104,301,531	105,673,303	108,910,552
Water revenue ³	\$ 585,886,714	\$ 571,527,570	\$ 540,004,882	\$ 538,754,649	\$ 531,164,103
Effective rate per 1,000 gal. ⁴	\$ 5.4734	\$ 5.2289	\$ 5.1773	\$ 5.0983	\$ 4.8771
Active accounts at June 30	412,800	408,542	402,911	397,336	392,700

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

	2017	2016	2015	2014	2013
Water Consumption ² (thousands of gallons)					
Residential - single service	46,816,937	45,209,157	44,991,526	45,665,514	45,513,855
Residential - duplex, triplex/fourplex	699,597	680,055	685,356	673,863	683,980
Apts., condos & townhouses	16,321,023	15,626,628	15,079,361	14,779,868	14,963,548
Residential, other	1,054,444	1,025,439	1,758,032	1,910,898	1,052,194
Hotels	9,748,887	9,732,548	9,300,207	9,183,026	9,341,023
Motels	1,204,671	1,218,345	1,202,549	1,067,988	1,113,680
Community facilities	2,222,950	1,977,562	1,895,184	1,859,986	1,977,402
Schools	1,786,227	1,699,048	1,674,701	1,587,395	1,645,652
Fireline	499,253	604,589	533,454	461,627	404,427
Irrigation	15,177,585	13,931,438	13,597,974	14,161,515	14,276,087
Commercial/business	8,878,970	8,622,104	8,304,191	8,159,823	8,291,645
Recreational	223,266	211,808	213,441	175,423	183,084
Industrial	1,366,087	1,312,860	1,269,195	1,201,732	1,183,615
Construction water	1,594,122	1,464,616	1,004,599	871,323	724,445
Other	613,752	639,328	531,314	566,052	591,594
Total consumption	108,207,771	103,955,525	102,041,084	102,326,033	101,946,231
Water revenue ³	\$ 497,190,376	\$ 456,388,893	\$ 433,366,358	\$ 426,489,464	\$ 421,957,342
Effective rate per 1,000 gal. ⁴	\$ 4.5948	\$ 4.3902	\$ 4.2470	\$ 4.1679	\$ 4.1390
Active accounts at June 30	387,829	380,791	373,080	367,482	360,125

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, 2022

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 (1,000 gal.) ⁴	Active Customers 6/30/2022
Residential - single service	\$ 261,501,465	45,343,335	4,459,644	\$ 5.7671	\$ 58.64	10.2	370,140
Residential - duplex/triplex/fourplex	3,429,780	624,320	33,419	5.4936	102.63	18.7	2,760
Apts., condos, & townhouses	79,781,448	17,604,323	53,468	4.5319	1,492.13	329.2	4,432
Residential, other	4,085,076	1,098,165	2,501	3.7199	1,633.38	439.1	209
Hotels	40,076,698	9,006,213	3,080	4.4499	13,011.91	2,924.1	262
Motels	5,455,227	1,130,384	2,902	4.8260	1,879.82	389.5	245
Community facilities	11,245,339	2,038,131	12,986	5.5175	865.96	156.9	1,081
Schools	9,032,085	1,761,292	8,982	5.1281	1,005.58	196.1	749
Fireline	30,964,709	769,133	67,680	40.2592	457.52	11.4	5,661
Irrigation	64,016,498	14,518,074	88,570	4.4094	722.78	163.9	7,409
Commercial/business	51,485,147	9,001,997	106,237	5.7193	484.63	84.7	8,833
Recreational	1,046,386	213,018	899	4.9122	1,163.94	236.9	75
Industrial	8,083,396	1,415,643	15,530	5.7101	520.50	91.2	1,300
Construction water	9,606,062	1,462,375	34,306	6.5688	280.01	42.6	2,526
Other	6,077,399	1,056,895	41,605	5.7502	146.07	25.4	7,118
Total	\$ 585,886,714	107,043,297	4,931,809	\$ 5.4734	\$ 118.80	21.7	412,800

¹Annual Revenue includes \$178,480,669 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, 2022 to June 30, 2022

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	\$0.4030	First 167	First 167	\$1.40
		Next 167	Next 167	\$2.50
		Next 333	Next 333	\$3.71
		Over 667	Over 667	\$5.51
3/4	\$0.4639	First 250	First 222	\$1.40
		Next 250	Next 222	\$2.50
		Next 500	Next 444	\$3.71
		Over 1,000	Over 889	\$5.51
1	\$0.5860	First 417	First 334	\$1.40
		Next 417	Next 334	\$2.50
		Next 1,666	Next 1,222	\$3.71
		Over 2,500	Over 1,889	\$5.51
1 1/2	\$0.8909	First 833	First 611	\$1.40
		Next 833	Next 611	\$2.50
		Next 6,667	Next 4,556	\$3.71
		Over 8,333	Over 5,778	\$5.51
2	\$1.2574	First 1,333	First 944	\$1.40
		Next 1,333	Next 944	\$2.50
		Next 16,000	Next 10,778	\$3.71
		Over 18,666	Over 12,666	\$5.51
3	\$2.2344	First 2,667		\$1.40
		Next 2,667		\$2.50
		Next 42,666		\$3.71
		Over 48,000		\$5.51
4	\$3.3334	First 4,167		\$1.40
		Next 4,167		\$2.50
		Next 125,000		\$3.71
		Over 133,334		\$5.51
6	\$6.3863	First 8,333		\$1.40
		Next 8,333		\$2.50
		Next 400,000		\$3.71
		Over 416,666		\$5.51
8	\$10.0497	First 13,333		\$1.40
		Next 13,333		\$2.50
		Next 773,337		\$3.71
		Over 800,000		\$5.51
10	\$14.3236	First 19,167		\$1.40
		Next 19,167		\$2.50
		Next 1,303,333		\$3.71
		Over 1,341,667		\$5.51
12	\$21.0398	First 28,333		\$1.40
		Next 28,333		\$2.50
		Next 1,926,667		\$3.71
		Over 1,983,333		\$5.51

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): \$0.50/1,000 gallons from January 1, 2022 to February 28, 2022, and \$0.52/1,000 gallons from March 1, 2022 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, 2022 to February 28, 2022 the fee for residential 5/8" and 3/4" meters was \$13.51 monthly and for other sizes, the fee can range up to \$2,458 monthly; Beginning March 1, 2022 to current the fee for residential 5/8" and 3/4" meters is \$14.21 monthly and for other sizes, the fee can range up to \$2,585 monthly.

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

Table 5

January 1, 2021 to December 31, 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, 2012 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
2022 Average Monthly Bill for 10,200 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										239.06
Santa Cruz, CA (OC)										239.06
Santa Barbara, CA										210.79
San Francisco, CA										156.38
Colorado Springs, CO (OC)										138.65
San Jose, CA										123.88
Santa Fe, NM										120.80
Seattle, WA (OC)										114.72
Los Angeles, CA										114.70
San Diego, CA										112.19
Portland, OR										108.22
Oakland, CA (EBMUD)										105.57
Seattle, WA										100.62
Marin, CA									94.13	
Colorado Springs, CO									92.42	
Flagstaff, AZ								86.31		
Houston, TX								85.44		
Long Beach, CA								81.40		
Santa Rosa, CA							77.77			
San Antonio, TX (OC)							77.63			
Tucson, AZ							76.26			
Pasadena, CA							71.78			
Pasadena, CA (OC)							71.78			
Tacoma, WA (OC)							71.30			
Denver, CO (OC)							70.56			
San Antonio, TX						68.79				
Boulder, CO (OC)						67.87				
Riverside, CA (OC)						66.52				
Phoenix, AZ (OC)						64.59				
Anaheim, CA						62.39				
Boulder, CO					59.82					
Cheyenne, WY					58.18					
Tacoma, WA					57.54					
North Las Vegas, NV					57.06					
San Bernardino, CA					53.75					
Las Vegas, NV					53.36					
Henderson, NV					53.31					
Salt Lake City, UT (OC)					53.30					
Boulder City, NV					52.15					
Denver, CO					52.11					
El Paso, TX					52.07					
Billings, MT (OC)					51.00					
Phoenix, AZ				49.74						
Billings, MT				48.93						
Reno, NV				48.05						
Scottsdale, AZ				47.83						
Riverside, CA				45.25						
Redding, CA				44.77						
Kingman, AZ (OC)				44.11						
Victorville, CA				42.87						
Dallas, TX				41.87						
Albuquerque, NM			39.81							
Salt Lake City, UT			39.41							
Boise, ID			35.81							
St. George, UT			34.39							
Kingman, AZ			33.84							
Cedar City, UT		28.42								

Based on the LVVWD Average Monthly Single-Family Consumption of 10,200 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 2021 and Nine Years Ago

Table 7

Ratepayer	2021			2012		
	Revenue	Rank	Percentage of Total Revenue	Revenue	Rank	Percentage of Total Revenue
Clark County School District	\$ 11,524,812	1	2.02 %	\$ 8,556,908	1	2.07 %
City of Las Vegas	7,022,289	2	1.23	4,930,879	2	1.19
Clark County	6,667,776	3	1.17	4,523,103	3	1.10
Venetian Casino Resort LLC	2,163,565	4	0.38	2,110,520	4	0.51
Clark County Aviation	2,038,307	5	0.36	1,536,521	9	0.37
Mandalay Bay Hotel	1,995,808	6	0.35	1,981,240	7	0.48
Caesars Palace Hotel	1,897,076	7	0.33	1,466,735	10	0.36
Wynn Las Vegas	1,840,712	8	0.32	2,040,467	5	0.49
MGM Grand Hotel	1,642,031	9	0.29	—	—	—
Southern Highlands Golf Club LLC	1,621,241	10	0.28	—	—	—
Oasis Residential Inc.	—	—	—	2,011,349	6	0.49
Bellagio Hotel and Casino	—	—	—	1,901,108	8	0.46
	<u>\$ 38,413,619</u>		<u>6.73 %</u>	<u>\$ 31,058,830</u>		<u>7.53 %</u>
Total revenue	\$ 570,868,076			\$ 412,664,190		

Note: Revenue includes SNWA and other various charges.

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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
2022	\$ 840,972,327	\$ 2,109,860,000	\$ 168,000	\$ 41,773,397	\$ 2,992,773,724
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

Fiscal Year	Personal Income¹	Percent of Personal Income	Active Accounts	Per Active Account	Taxable Real Property Value²	Percent of Taxable Real Property Value
2022	\$ 118,914,315,444	2.52 %	412,800	\$ 7,250	\$ 291,940,178,237	1.03 %
2021	118,914,315,444	2.38	408,542	6,915	282,851,329,011	1.00
2020	116,091,283,484	2.31	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

¹ Calendar year. Source is U.S. Bureau of Economic Analysis as reported for Clark County. Personal income data for 2022 and 2021 is not available. Estimates for 2022 and 2021 are based upon 2020 data. This data subject to change.

² Neither 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

	2022	2021	2020	2019	2018
Operating revenues	\$ 406,486,458	\$ 397,864,060	\$ 372,320,857	\$ 374,645,905	\$ 372,308,125
Facilities connection charge	23,578,591	33,131,272	17,628,602	18,185,794	16,171,119
Interest income on operating funds	(24,163,160)	(681,187)	20,100,740	17,218,146	2,256,661
Total revenues	405,901,889	430,314,145	410,050,199	410,049,845	390,735,905
Operating expenses ¹	275,364,147	250,157,212	276,072,659	240,742,943	255,815,010
Net pledged revenues	\$ 130,537,742	\$ 180,156,933	\$ 133,977,540	\$ 169,306,902	\$ 134,920,895
Average annual G.O. bond debt service	\$ 39,549,606	\$ 39,560,406	\$ 38,734,963	\$ 39,837,449	\$ 40,320,180
Coverage ²	3.30	4.55	3.46	4.25	3.35

	2017	2016	2015	2014	2013
Operating revenues	\$ 354,888,515	\$ 339,986,389	\$ 337,790,425	\$ 338,947,519	\$ 336,432,153
Facilities connection charge	12,241,154	13,239,500	17,657,015	11,049,850	6,867,660
Interest income on operating funds	1,042,888	2,577,164	1,265,650	1,094,644	256,072
Total revenues	368,172,557	355,803,053	356,713,090	351,092,013	343,555,885
Operating expenses ¹	250,732,755	243,312,822	245,997,419	252,968,239	246,358,474
Net pledged revenues	\$ 117,439,802	\$ 112,490,231	\$ 110,715,671	\$ 98,123,774	\$ 97,197,411
Average annual G.O. bond debt service	\$ 47,497,712	\$ 47,646,668	\$ 49,002,721	\$ 50,794,514	\$ 51,407,966
Coverage ²	2.47	2.36	2.26	1.93	1.89

¹ Operating expenses exclude depreciation.

² Bond 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, 2022

Table 10

	Assessed Valuation June 30, 2022	Total General Obligation Indebtedness	Presently Self-Supporting General Obligation Indebtedness	Net Direct General Obligation Indebtedness	Percent Applicable	Applicable Net Overlapping Indebtedness¹
Las Vegas Valley Water District ^{2,3}	\$ 102,179,062,383	\$ 2,935,483,397	\$ 2,935,483,397	\$ —	100.00%	\$ —
State of Nevada ⁴	146,263,654,361	1,269,415,000	278,625,000	990,790,000	69.86	692,160,972
Clark County ⁵	103,215,191,148	3,712,853,902	3,708,803,902	4,050,000	99.00	4,009,344
Clark County School District ⁵	103,215,191,148	2,985,380,000	312,885,000	2,672,495,000	99.00	2,645,667,079
Henderson ⁶	15,900,864,128	372,554,456	350,044,456	22,510,000	100.00	22,510,000
Las Vegas ⁷	22,246,535,827	431,785,000	376,130,000	55,655,000	100.00	55,655,000
North Las Vegas ⁸	9,388,146,391	381,425,192	381,425,192	—	100.00	—
Mesquite ⁹	1,015,706,707	9,732,306	9,732,306	—	100.00	—
Boulder City ¹⁰	881,829,534	—	—	—	100.00	—
Clark County Water Reclamation District	53,777,213,210	385,634,444	385,634,444	—	100.00	—
Boulder City Library District	881,829,534	—	—	—	100.00	—
Henderson District Public Libraries	15,859,064,128	—	—	—	100.00	—
Las Vegas-Clark County Library District (Debt)	2,322,574,685	—	—	—	100.00	—
Big Bend Water District	467,370,352	1,357,524	1,357,524	—	100.00	—
Virgin Valley Water District	1,036,128,765	11,279,960	9,525,960	1,754,000	100.00	1,754,000
						<u><u>\$ 3,421,756,396</u></u>

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

² Because 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.

³ The 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.

⁴ Assessed value excludes Statewide Redevelopment Agency assessed valuation in the amount of \$4,956,051,681.

⁵ Assessed value excludes \$3,932,007,844 for the Clark County, Las Vegas, North Las Vegas, Henderson, Mesquite and Boulder City Redevelopment Agencies.

⁶ Assessed value excludes \$1,399,724,394 for the Henderson Redevelopment Agency.

⁷ Assessed value excludes \$1,534,914,800 for the Las Vegas Redevelopment Agency.

⁸ Assessed value excludes \$113,563,590 for the North Las Vegas Redevelopment Agency.

⁹ Assessed value excludes \$175,651,317 for the Mesquite Redevelopment Agency.

¹⁰ Assessed value excludes \$64,018,408 for Boulder City Redevelopment Agency.

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DEMOGRAPHIC AND ECONOMIC INFORMATION

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



**LAS VEGAS VALLEY
WATER DISTRICT™**

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
2021	2,320,551	N/A	\$54,990	301,474	1,121.0	5.3%
2020	2,265,461	\$51,244	54,879	314,757	1,108.4	8.1
2019	2,293,391	49,225	51,313	317,306	1,125.3	3.7
2018	2,251,175	47,184	48,977	319,311	1,098.1	3.9
2017	2,193,818	45,444	47,610	309,965	1,069.5	4.4
2016	2,166,181	43,826	43,950	307,974	1,046.1	4.9
2015	2,118,353	43,017	43,603	306,832	1,034.0	5.3
2014	2,069,450	40,655	51,214	314,598	1,015.1	6.2
2013	2,031,723	38,561	51,057	311,218	1,004.3	7.4
2012	1,988,195	39,068	49,546	308,377	999.5	8.1

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

² Population as of July 1. Source: Nevada State Demographer's Office (2011-2021, estimates as of July 1). Populations are subject to periodic revisions.

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

⁴ Source: The Nielsen Company, *Site Reports*, 2010-2017; and Claritas, 2018-2021 Environics Analytics (EA)

⁵ Source: 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. School year 2016 is the first year of the legislatively mandated change. School year 2016 is the Nevada Department of Education audited enrollment. Values shown in years 2015 through 2021 represent weighted enrollment (funded). Years 2011 through 2014 represent student population.

⁶ Source: State of Nevada - Department of Employment, Training & Rehabilitation

⁷ Source: U.S. Bureau of Labor, Bureau of Labor Statistics (annual averages)

LAS VEGAS VALLEY WATER DISTRICT

Enterprise Fund (Unaudited)

Employment by Industry Sector in the Las Vegas Metropolitan Area¹

June 30, 2022 and 2013

Table 12

Industry Sector	<u>June 30, 2022</u>		<u>June 30, 2013</u>	
	Employees (In Thousands)		Employees (In Thousands)	
Leisure and hospitality	274.8	26.0 %	271.2	31.8 %
Trade, transportation, and utilities	208.1	19.7	155.4	18.3
Professional and business activities	157.8	14.9	111.6	13.1
Education and health services	113.1	10.7	79.0	9.3
Government	99.8	9.5	92.7	10.9
Construction	74.8	7.1	40.7	4.8
Financial activities	57.8	5.5	43.5	5.1
Other services	29.1	2.8	24.9	2.9
Manufacturing	28.7	2.7	20.9	2.5
Information technologies	11.5	1.1	10.8	1.3
Mining and logging	0.4	—	0.3	—
Total nonfarm payrolls	1,055.9	100.0 %	851.0	100.0 %

¹ Source: 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-Ownning Taxpayers in Clark County, Nevada¹
Fiscal Year Ended June 30, 2022

Table 13

Taxpayer²	Taxable Assessed	Taxable Appraised
1. MGM Resorts International	\$ 3,347,575,651	\$ 9,564,501,860
2. NV Energy Combined	1,841,698,386	5,261,995,389
3. Caesars Entertainment Corporation	1,181,070,051	3,374,485,860
4. Las Vegas Sands Corporation	1,163,859,808	3,325,313,737
5. Wynn Resorts Limited	896,948,610	2,562,710,314
6. Station Casinos Limited Liability Company	845,559,424	2,415,884,069
7. The Blackstone Group	835,347,739	2,386,707,826
8. Genting Group	781,747,467	2,233,564,191
9. VICI Properties Incorporated	707,029,801	2,020,085,146
10. Howard Hughes Corporation	508,040,760	1,451,545,029

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, 2021-2022 Secured Roll/2020-2021 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
WATER DISTRICT™**

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014 ²	2013
Executive Management	13.0	15.0	12.0	14.0	13.0	12.0	14.0	14.0	14.0	16.0
Customer Care & Field Services	163.0	175.0	174.0	174.0	173.0	174.0	178.0	165.0	168.0	179.0
Environmental, Health, Safety, & Corporate Security	104.0	114.0	77.0	77.0	77.0	49.0	49.0	49.0	50.0	55.0
Energy Management	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	5.0	7.0
Engineering	115.0	127.0	109.0	109.0	105.0	102.0	108.0	103.0	103.0	267.0
Finance	49.0	49.0	50.0	50.0	51.0	77.0	109.0	108.0	108.0	132.0
Human Resources	74.0	30.0	29.0	29.0	27.0	25.0	21.0	18.0	24.0	29.0
Information Technology	142.0	147.0	145.0	145.0	142.0	141.0	118.0	119.0	110.0	134.0
Infrastructure Management	178.0	176.0	91.0	91.0	89.0	88.0	84.0	80.0	74.0	0.0
Legal Services	11.0	11.0	17.0	15.0	15.0	16.0	25.0	18.0	18.0	11.0
Operations	264.0	260.0	249.0	249.0	247.0	243.0	243.0	259.0	342.0	411.5
Public Services	91.0	117.0	114.0	114.0	111.0	104.0	100.0	95.0	91.0	113.0
Resources & Facilities	—	—	145.0	144.0	144.0	142.0	146.0	142.0	86.0	122.5
Risk Management	5.0	6.0	—	—	—	—	—	—	—	—
Water Quality & Treatment	102.0	95.0	97.0	97.0	96.0	95.0	96.0	95.0	95.0	103.5
Water Resources	98.0	87.0	50.0	48.0	43.0	43.0	—	—	—	—
Unfunded positions	166.5	166.5	216.5	218.5	241.5	263.5	283.5	309.5	292.5	—
Total	1580.5	1580.5	1580.5	1580.5	1580.5	1580.5	1580.5	1580.5	1580.5	1580.5

¹ Throughout 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.

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

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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
January	6,377	6,591	6,512	6,741	6,059	6,108	6,078	6,387	6,103	6,143
February	6,031	6,301	6,285	6,324	5,626	6,243	5,856	5,999	5,746	5,924
March	7,725	6,798	7,216	7,674	7,856	7,979	7,643	7,773	7,604	7,535
April	8,869	7,381	8,488	8,880	8,692	8,037	8,685	8,558	8,404	8,318
May	10,821	10,214	9,658	10,746	10,883	9,480	9,995	10,674	10,847	11,085
June	11,987	11,355	10,984	12,029	12,130	11,833	11,471	11,786	12,116	12,039
July	12,568	12,792	12,567	12,725	13,178	12,868	12,391	12,293	12,680	12,476
August	12,438	12,787	12,626	12,979	12,700	12,699	12,305	11,543	12,019	11,692
September	10,687	11,005	10,876	11,438	10,830	10,833	10,786	10,069	9,735	10,297
October	9,204	9,779	9,524	9,789	9,793	9,150	9,089	9,332	9,012	8,875
November	7,523	7,466	7,774	7,847	7,847	7,648	7,226	7,235	6,865	7,211
December	6,747	6,721	6,318	6,865	7,128	6,567	6,437	6,178	6,103	6,243
Total	110,978	109,189	108,828	114,037	112,722	109,445	107,962	107,827	107,234	107,838
Total Acre Feet	340,578	335,088	333,987	349,966	345,930	335,871	331,324	330,909	329,089	330,943

¹ Total 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	2021		2020		2019		2018		2017	
	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily
January	324	10	—	—	—	—	—	—	82	3
February	900	32	—	—	—	—	—	—	73	3
March	—	—	34	1	10	—	—	—	82	3
April	—	—	126	4	1,605	53	46	2	69	2
May	1,436	46	232	7	1,780	57	366	12	379	12
June	2,111	70	1,702	57	1,705	57	2,972	99	2,931	98
July	2,102	68	1,721	56	1,830	59	3,083	99	3,174	102
August	2,164	70	1,815	59	1,637	53	3,147	102	3,110	100
September	1,962	65	2,053	68	504	17	2,975	99	2,888	96
October	1,887	61	2,034	66	—	—	311	10	324	10
November	360	12	1,893	63	—	—	340	11	201	7
December	15	1	1,631	53	—	—	—	—	—	—
Total	13,261	36	13,241	36	9,071	25	13,240	36	13,313	36

Total Acre Feet	40,697		40,641		27,834		40,632		40,859
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Month	2016		2015		2014		2013		2012	
	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	681	22	259	8	257	8	1,030	33	752	24
June	3,138	105	2,816	94	3,095	103	3,216	107	3,140	105
July	3,071	99	2,886	93	3,206	103	3,016	97	3,050	98
August	3,125	101	2,878	93	3,022	97	2,721	88	2,926	94
September	3,019	101	1,922	64	2,556	85	2,837	95	3,297	110
October	171	6	544	18	364	12	540	18	—	—
November	7	—	593	20	435	15	512	17	—	—
December	68	2	519	17	449	14	531	18	—	—
Total	13,280	36	13,204	36	14,518	40	14,403	39	13,165	36

Total Acre Feet	40,755		40,522		44,554		44,201		40,402
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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	2021		2020		2019		2018		2017	
	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily
January	6,106	197	6,591	213	6,512	210	6,741	217	5,977	193
February	5,125	183	6,301	217	6,285	224	6,324	226	5,553	198
March	7,657	247	6,764	218	7,206	232	7,674	248	7,774	251
April	8,882	296	7,255	242	6,883	229	8,834	294	8,623	287
May	9,575	309	9,982	322	7,879	254	10,380	335	10,503	339
June	10,141	338	9,653	322	9,279	309	9,057	302	9,199	307
July	10,575	341	11,071	357	10,737	346	9,642	311	10,004	323
August	10,568	341	10,971	354	10,989	354	9,832	317	9,591	309
September	8,899	297	8,952	298	10,373	346	8,463	282	7,942	265
October	7,495	242	7,744	250	9,524	307	9,478	306	9,469	305
November	5,904	197	5,573	186	7,774	259	7,507	250	7,645	255
December	6,458	208	5,089	164	6,318	204	6,864	221	7,128	230
Total	97,386	266	95,946	262	99,760	273	100,796	276	99,408	272

Month	2016		2015		2014		2013		2012	
	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily
January	6,108	197	5,548	179	5,865	189	6,103	197	6,143	198
February	6,243	215	5,428	194	5,608	200	5,746	205	5,924	212
March	7,979	257	7,577	244	7,552	244	7,604	245	7,535	243
April	8,037	268	8,565	286	8,558	285	8,404	280	8,318	277
May	8,798	284	9,576	309	10,417	336	9,818	317	10,333	333
June	8,695	290	8,614	287	8,691	290	8,900	297	8,899	297
July	9,798	316	9,395	303	9,087	293	9,665	312	9,426	304
August	9,574	309	9,243	298	8,521	275	9,298	300	8,766	283
September	7,814	260	8,752	292	7,513	250	6,899	230	7,000	233
October	8,979	290	8,317	268	8,968	289	8,472	273	8,875	286
November	7,640	255	6,556	219	6,800	227	6,353	212	7,211	240
December	6,499	210	5,844	189	5,729	185	5,572	180	6,243	201
Total	96,164	263	93,415	256	93,309	255	92,834	254	94,673	259

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	2021		2020		2019		2018		2017	
	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.
January	232.6	175.3	238.0	186.0	228.0	189.0	234.4	194.4	213.0	181.1
February	240.6	183.7	238.0	187.0	216.0	182.0	240.7	203.9	213.9	176.0
March	300.7	183.4	256.0	176.0	277.0	187.0	282.0	194.9	280.8	201.2
April	338.3	222.4	305.3	175.3	319.0	225.0	335.8	226.4	319.4	230.7
May	396.7	240.8	380.4	228.7	346.0	232.0	378.5	275.2	383.7	274.3
June	446.3	272.8	423.1	259.5	414.0	258.0	433.4	305.5	445.2	324.1
July	457.0	271.5	446.9	285.6	438.0	292.0	443.9	314.3	451.8	356.9
August	443.1	262.1	444.7	288.7	436.0	295.0	438.6	334.5	427.6	335.9
September	396.1	247.8	420.8	255.7	413.0	258.0	410.8	297.3	413.3	281.5
October	345.1	210.4	361.7	227.0	340.0	232.0	366.6	242.1	347.1	249.8
November	297.0	197.6	312.7	190.6	288.0	191.0	305.5	208.7	299.9	215.4
December	249.6	181.3	242.4	182.7	219.0	181.0	241.4	194.6	245.6	199.5

Average daily production

304.05 298.33 294.09 309.40 308.83

Maximum daily production

457.02 446.87 438.00 443.90 451.80

Month	2016		2015		2014		2013		2012	
	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.
January	213.2	163.0	213.1	176.8	217.2	182.4	211.7	178.1	212.1	175.8
February	253.7	189.1	230.0	179.2	235.1	187.7	222.8	169.7	215.8	173.1
March	276.7	209.8	290.1	188.7	277.9	185.5	275.3	188.0	265.0	182.9
April	298.0	197.0	308.2	228.6	309.8	225.0	326.0	233.8	315.6	199.6
May	350.9	209.2	354.7	270.1	376.1	270.8	371.8	276.8	378.3	279.9
June	423.5	324.5	417.2	309.5	415.4	324.5	429.8	324.8	412.6	336.2
July	440.0	338.4	416.6	348.0	421.4	347.8	437.0	335.5	420.6	325.7
August	431.5	339.6	410.4	345.7	400.7	321.8	412.6	309.4	413.1	296.4
September	400.4	289.8	384.5	296.7	379.9	260.0	348.6	270.8	378.7	276.7
October	335.8	240.0	346.2	241.8	322.9	247.9	331.4	239.8	331.8	223.1
November	280.1	209.8	292.6	199.3	281.3	197.5	276.0	185.0	274.8	200.2
December	239.0	172.6	227.1	174.6	232.6	176.7	218.5	178.3	231.7	176.9

Average daily production

299.80 295.80 295.40 293.79 295.45

Maximum daily production

440.00 417.20 421.40 437.00 420.60

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
2022	9,894	75,544	297,557	982	61,540	445,517
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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Miles of pipeline	7,060	6,934	6,892	6,653	6,589	6,518	6,432	6,354	6,284	6,236
Active wells ¹	64	64	64	64	64	64	64	63	63	63
Reservoirs/tanks	42	43	41	40	40	38	38	38	38	38
Pumping stations	53	53	54	54	54	52	52	52	52	52

¹Excludes recharge wells.

LAS VEGAS VALLEY WATER DISTRICT

Enterprise Fund (Unaudited)

Schedule of Insurance

As of June 30, 2022

Table 21

Type of Coverage and Name of Company	Policy Number	Expiration Date	Details of Coverage
Commercial Property American Home Assurance Company (AIG)	18258107	5/1/2023	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 <i>Special Flood Hazard Area Flood (defined by FEMA)</i> - \$25,000,000 Annual Aggregate, <i>Named Storm</i> - \$500,000,000, per occurrence. <i>Equipment Breakdown</i> - \$500,000,000 per occurrence, and Construction Builder's Risk Projects - \$50,000,000 per occurrence. Deductible: \$1,000,000 with the following exceptions: <i>Flood</i> - \$100,000 per occurrence, <i>Special Flood Hazard Area Flood</i> - the greater of \$1,000,000 or 5% of the Total Insurable Values at each location, per occurrence, and Builder's Risk - \$50,000 per occurrence, except for losses arising out of flood or earth movement, then Builder's Risk deductible is \$500,000, per occurrence.
Terrorism BMS Group, Ltd.	B128419914W22	5/1/2023	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, 2022

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	5155-0027-02 5111-0044-06	5/1/2023	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. \$5,000,000 Per Occurrence for GL; \$5,000,000 Each Wrongful Act Public Officials Liability; \$5,000,000 Each Wrongful Act Employment Practices Liability; \$5,000,000 Each Accident Auto Liability; \$5,000,000 Each Occurrence Employers Liability Aggregates: Excess Liability \$10,000,000; Employment Practices Liability \$1,000,000 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 Homesite Insurance Company	AMFSD0003-01	5/1/2023	Excess Liability coverage for Las Vegas Valley Water District, et al. \$10,000,000 Per Occurrence; \$10,000,000 Aggregate
Excess Liability – 3rd Layer Follow Form Great American Insurance Company	EXC 436774	5/1/2023	Excess Liability coverage for Las Vegas Valley Water District, et al. \$5,000,000 Per Occurrence; \$5,000,000 Aggregate
Employment Practices Liability National Union Fire Insurance	08-075-16-15	5/1/2023	Employment Practices Liability for Las Vegas Valley Water District \$5,000,000 Each Wrongful Act Retention: \$250,000, retention for Class Action \$500,000 Continuity Date: 5/1/1997
Excess Workers Compensation and Employers Liability Arch Insurance Group	WCX 0066543 01	5/1/2023	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 \$1,000,000; 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	SF220CFTZ04YW901	5/1/2023	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, 2022

Table 21

Type of Coverage and Name of Company	Policy Number	Expiration Date	Details of Coverage
Primary Cyber Liability AXA/Indian Harbor Insurance Co.	MTP9033486 06	5/1/2023	Cyber Liability for Las Vegas Valley Water District Third Party: Privacy and 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 Optional Business Interruption & Extra Expense: Systems Failure \$2,500,000 Each Claim; Dependent Business Interruption \$2,500,000 Each Claim; Dependent Business Interruption System Failure \$1,000,000 Each Claim Aggregate: \$5,000,000 Combined Policy Retention: \$250,000 EXCEPT Business Income 12 Hours Retroactive Date: Full Prior Acts
Excess Cyber Liability Crum & Forster Specialty Insurance Co	CYB-104324	5/1/2023	Excess Cyber Liability coverage Las Vegas Valley Water District \$5,000,000 Per Claim except, Ransomware \$2,500,000 Each Claim; System Failure \$2,500,000 Each Claim; Business Interruption \$2,500,000 Each Claim; and Dependent Business Interruption System Failure \$1,000,000 Each Claim. All coverages less than \$5,000,000 are drop down coverages over the primary cyber policy.
Crime Travelers Casualty & Surety Company of America	106728245	5/1/2023	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 Indian Harbor Insurance Co.	PEC0051795	4/9/2024	\$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 Retention: \$250,000

**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™**

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

Independent Auditors' Report

To the Board of Directors of
Las Vegas Valley Water District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the business-type activities and 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, 2022, and the related statements of revenues, expenses and changes in net position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 18, 2022. Our report includes an emphasis of matter paragraph relative to the adoption of the provisions of GASB Statement No. 87, *Leases*, effective July 1, 2021. Our opinions are not modified with respect to this matter.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Madison, Wisconsin
October 18, 2022