

NYE COUNTY WATER DISTRICT

**REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2021

NYE COUNTY WATER DISTRICT

JUNE 30, 2021

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**NYE COUNTY WATER DISTRICT
DISTRICT GOVERNING BOARD OFFICERS
JUNE 30, 2021**

Chairperson:	Dave Hall	District Wide
Vice Chair	Dennis Gaddy	Pahrump Valley
Members:	Richard W. Carver	Currant Creek/Smoky Valley
	Joe Westerlund	Tonopah/Manhattan
	James Weeks	Beatty/Amargosa Valley
	Helene Williams	Pahrump Valley
	William Knecht	Pahrump Valley

**NYE COUNTY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

The Management's Discussion and Analysis ("MD&A") introduces the financial reports for the Nye County Water District ("District") and is designed to give the reader an easy-to-understand overview of the District's financial position and results of operations for the year. The MD&A is separated into Financial Highlights, an Overview of the Financial Statements, Government-Wide Financial Analysis, Financial Analysis of the District's Governmental Fund, General Fund Budgetary Highlights, Debt Administration, and Economic Factors and Next Year's Budget Rates.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the 2021 fiscal year by \$389,872 (net position). The total net position is unrestricted and may be used to meet the District's ongoing obligations to its citizens and creditors.

The government-wide net position of the Nye County Water District increased during the fiscal year ending June 30, 2021, from \$322,840 to \$389,872.

The District's total government-wide expenses were \$246,050, an increase of \$58,989 when compared to the previous year.

At the close of the fiscal year 2021, the District's General Fund reported a fund balance of \$582,762, an increase of \$59,889 when compared to the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements are comprised of government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with an overview of the District's financial position in a manner similar to a private-sector business.

The Statement of Net Position combines and consolidates all the District's assets and liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. This includes combining current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting. Net position is segregated into three components: invested in capital assets; restricted; and unrestricted net position. Net position is an indicator of the overall financial position of the District and the change in net position from year to year is an indicator of the financial position improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported when 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes).

The government-wide financial statements report one type of activity: governmental activities. The government-wide financial statements include functions of the District that are principally supported by real property parcel assessment fees.

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Nye County Water District fund is classified into one category, Governmental Funds.

**NYE COUNTY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement is provided for the District's governmental fund to demonstrate compliance with the budget.

Information is presented separately in the governmental balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund.

Notes to the Financial Statements. The notes to the financial statements provide additional information that is essential to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's pension benefits for its employees.

**NYE COUNTY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements are structured to report financial information on the District as a whole. Condensed financial information with comparative amounts from the prior year is presented along with accompanying analysis.

The following table illustrates the changes in net position in the years ending June 30, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Assets		
Current and other assets	\$ 622,927	\$ 560,210
Net capital assets	<u>-</u>	<u>-</u>
Total Assets	<u>622,927</u>	<u>560,210</u>
Deferred Outflows of Resources:	<u>30,209</u>	<u>34,548</u>
Liabilities		
Current liabilities	20,597	23,824
Long-term liabilities	<u>228,659</u>	<u>218,238</u>
Total Liabilities	<u>249,256</u>	<u>242,062</u>
Deferred Inflows of Resources	<u>14,008</u>	<u>29,856</u>
Net Position		
Invested in capital assets, net of related debt	-	-
Unrestricted	<u>389,872</u>	<u>322,840</u>
Total Net Position	<u>\$ 389,872</u>	<u>\$ 322,840</u>

The District's assets and deferred outflows exceeded liabilities and deferred inflows by \$389,872 at the close of the current year and total net position increased by \$67,032, or 20.76%.

The District's total net position of \$389,872 is unrestricted. This is used to meet the ongoing obligations of the District.

The following table compares activity for the years ending June 30, 2021 and 2020.

**NYE COUNTY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Changes in net position of the District are summarized as follows:

	Governmental Activities	
	2021	2020
Revenues		
General revenues:		
Real property parcel assessment fees	\$ 315,856	\$ 289,058
Investment income (loss)	(2,775)	16,761
Total revenues	313,081	305,819
Expenses		
General government	246,049	* 187,060
Change in net position	67,032	118,759
Net position - beginning of year	322,840	204,081
Net position - end of year	\$ 389,872	\$ 322,840

General revenues consist of parcel assessment fees and investment income.
For governmental activities, the largest of these revenues was tax assessments.

* Prior year expenses have been restated due to correction of reporting error. See note C9 on page 33.

**NYE COUNTY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements.

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Major Fund:

General Fund: The General Fund is the chief operating fund of the District. As of the end of the current fiscal year the General Fund reported a fund balance of \$582,762, an increase of \$59,889, or 11.45%, from the prior year. Fund balance components can be classified as restricted, assigned, and unassigned based primarily on the extent to which the District is bound to observe constraints imposed on the use of the resources of fund. Spending of these resources is constrained by externally imposed (statutory, bond covenant, or grantors) limitations on their use.

Assigned fund balance of \$488,629 represents 83.85% of total fund balance. The remaining fund balance of \$94,133 is unassigned.

Key factors of the change in the fund balance of the General Fund include total revenue decreases of \$3,149, or 1.03%. Assessment fees increased by \$16,387, or 5.66% due to collection of past due assessments collected from property tax sales. Miscellaneous revenues decreased by \$19,536, or 116.56% due to market value declines.

Expenditures increased by \$70,963, or 41.14%, from the prior year due to increase in salaries, benefits, and service and supplies.

GENERAL FUND BUDGETARY HIGHLIGHTS

Nevada Statutes require that the District legally adopts budgets for all funds. Budgets are prepared in accordance with generally accepted accounting principles. The final appropriated budget is prepared by fund, function, and object. All appropriations lapse at year-end.

Final budget compared to actual results. The most significant differences between estimated revenues and actual revenues were as follows:

Total revenues were \$9,755 more than budgeted. This budgetary excess is attributed to assessment fees in excess of budgeted amounts.

Total actual expenditures for the General Fund for the fiscal year 2021 were \$239,879 less than budgeted. This is primarily due to spending less than expected on service and supplies expenditures.

The actual General Fund balance of \$582,762 was \$94,133 more than anticipated to begin the 2021-2022 year.

**NYE COUNTY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

DEBT ADMINISTRATION

During the year ended June 30, 2021, the following changes occurred:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due within one year
Governmental Activities:					
Compensated Absences	\$ 48,019	\$ 4,393	\$ 0	\$ 52,412	\$ 14,211
Net Pension Liability	180,764	9,694	0	190,458	0
Total Long-term Liabilities	<u>\$ 228,783</u>	<u>\$ 14,087</u>	<u>\$ 0</u>	<u>\$ 242,870</u>	<u>\$ 14,211</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District approved the budget for the 2021-2022 year on May 24, 2021. The following factors were considered in the development of the budget.

- Revenues are anticipated to decrease slightly. The primary revenue source of the District is a fee charge on parcels of real property within the District.
- Expenditures are anticipated to increase with the primary increase related to services and supplies, including contract services. Employee compensation and related benefits are expected to increase slightly.

REQUESTS FOR INFORMATION

This financial report is designed to provide its users with a general overview of the Nye County Water District's finances and to demonstrate the District's accountability for the revenues it receives. Any comments, further questions, or requests for additional information should be addressed to:

Nye County Water District
2101 E. Calvada Blvd. Ste., 100
Pahrump, Nevada 89048

NYE COUNTY WATER DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

Assets

Pooled cash and investments	\$ 586,465
Interest receivable	1,276
Assessments receivable	<u>35,186</u>
Total assets	<u>622,927</u>

Deferred outflows of resources

Deferred pension charge	<u>30,209</u>
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Liabilities

Current Liabilities:

Accounts payable	1,382
Accrued payroll	5,004
Accrued compensated absences	14,211

Long-Term Liabilities:

Accrued compensated absences	38,201
Net pension liability	<u>190,458</u>
Total liabilities	<u>249,256</u>

Deferred inflows of resources

Deferred pension charge	<u>14,008</u>
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Net Position

Invested in capital assets	-
Unrestricted	<u>389,872</u>
Total net position	<u>\$ 389,872</u>

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

**NYE COUNTY WATER DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
General Government:				
Salaries and wages	\$ (95,952)	\$ -	\$ -	\$ (95,952)
Employee benefits	(43,568)	-	-	(43,568)
Service and supplies	<u>(106,529)</u>	<u>-</u>	<u>-</u>	<u>(106,529)</u>
 Total Governmental Activities	 <u>\$ (246,049)</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>(246,049)</u>
 General Revenues:				
				315,856
				<u>(2,775)</u>
				<u>313,081</u>
				 67,032
				 <u>311,941</u>
				<u>10,899</u>
				<u>322,840</u>
				 <u>\$ 389,872</u>

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

**NYE COUNTY WATER DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>Major Fund</u>
	<u>General</u>
	<u>Fund</u>
Assets	
Pooled cash and investments	\$ 586,465
Interest receivable	1,276
Assessment receivable	<u>35,186</u>
Total assets	<u>\$ 622,927</u>
Liabilities	
Accounts payable	\$ 1,382
Accrued payroll	<u>5,004</u>
Total liabilities	<u>6,386</u>
Deferred Inflows of Resources	
Unavailable revenue	<u>33,779</u>
Fund Balance	
Assigned to subsequent year	488,629
Unassigned	<u>94,133</u>
Total fund balance	<u>582,762</u>
Total liabilities and fund equity	<u>\$ 622,927</u>

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

**NYE COUNTY WATER DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Total fund balance - governmental funds	\$	582,762
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
Parcel assessment fees that are not available to pay for current period expenditures and, therefore are deferred in the funds		33,779
Compensated absences are not reported in the Governmental Funds financial statements because they are not due and payable, but they are presented as liabilities in the Statement of Net Position		(52,412)
<p>The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:</p>		
Deferred outflows from pension activity.		30,209
Net pension liability.		(190,458)
Deferred inflows from pension activity.		<u>(14,008)</u>
Total net position - governmental activities	\$	<u>389,872</u>

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

**NYE COUNTY WATER DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Major Fund
	General Fund
Revenues	
Assessments:	
Real property parcel assessment fees	\$ 306,135
Miscellaneous:	
Investment income (loss)	<u>(2,775)</u>
Total revenue	<u>303,360</u>
Expenditures	
Current:	
General government:	
Salaries and wages	95,952
Employee benefits	40,990
Services and supplies	<u>106,529</u>
Total expenditures	<u>243,471</u>
Excess (deficiency) of revenues over expenditures	59,889
Fund Balance	
Beginning of year	<u>522,873</u>
End of year	<u>\$ 582,762</u>

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

**NYE COUNTY WATER DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Net Change in Fund Balance - Governmental Funds	\$	59,889
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Amounts reported for governmental activities in the Statement of Activities are different because:

Parcel assessment fees that are collected in the time to pay obligations of the current period are reported as revenue in the fund statements. However, amounts that related to prior periods that first become available in the current period should not be reported as revenue in the Statement of Activities		9,721
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Compensated absence expenditures recognized in fund financial statements are limited to only those that use current financial resources but expenses are recognized in the Statement of Activities when incurred		(4,393)
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Net differences between pension system contributions recognized in the fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities:

Pension contributions made after measurement date (2021 contributions).		12,149
Net pension expense.		(10,334)

Change in net position of governmental activities	\$	<u>67,032</u>
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The notes to the financial statements are an integral part of this statement.

**NYE COUNTY WATER DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		2021 Actual	Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes:				
Real property parcel assessment fees	\$ 290,105	\$ 290,105	\$ 306,135	\$ 16,030
Miscellaneous:				
Investment income (loss)	<u>3,500</u>	<u>3,500</u>	<u>(2,775)</u>	<u>(6,275)</u>
Total revenue	<u>293,605</u>	<u>293,605</u>	<u>303,360</u>	<u>9,755</u>
Expenditures				
Current:				
General government:				
Salaries and wages	105,000	105,000	95,952	9,048
Employee benefits	65,000	65,000	40,990	24,010
Services and supplies	<u>300,000</u>	<u>300,000</u>	<u>106,529</u>	<u>193,471</u>
Total general government	470,000	470,000	243,471	226,529
Contingency	<u>13,350</u>	<u>13,350</u>	<u>-</u>	<u>13,350</u>
Total expenditures	<u>483,350</u>	<u>483,350</u>	<u>243,471</u>	<u>239,879</u>
Excess (deficiency) of revenues over expenditures	(189,745)	(189,745)	59,889	249,634
Fund Balance				
Beginning of year	<u>394,372</u>	<u>394,372</u>	<u>522,873</u>	<u>128,501</u>
End of year	<u>\$ 204,627</u>	<u>\$ 204,627</u>	<u>\$ 582,762</u>	<u>\$ 378,135</u>

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

**NYE COUNTY WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

The accompanying financial statements include all the activities that comprise the financial reporting entity of the Nye County Water District (“District”). The District is governed by an appointed seven-member board. The Nye County Commission appoints members to serve on the board. The District is reported as a component by Nye County Nevada. The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles.

2. Basic Financial Statements

The District’s basic financial statements consist of government-wide statements and the fund financial statements. The government-wide financial statements are made up of the Statement of Net Position and the Statement of Activities. These statements include the aggregated financial information of the District as a whole. Governmental activities normally are supported by real property parcel assessment fee revenues. The fund financial statements include financial information for the one fund type: governmental. Reconciliations between the fund statements, the Statement of Net Position, and the Statement of Activities are included.

3. Basis of Presentation - Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The Statement of Net Position presents the consolidated financial position of the District at year-end for governmental activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are specifically associated with a program or service and are, therefore, clearly identifiable to a particular function. Program revenues include charges for services, operating grants, and contributions. Real property parcel assessment fees and other revenues properly not included among program revenues are reported instead as general revenues. This statement provides a net cost or net revenue for the specific function of the District. This function with a net cost is generally dependent on real property parcel assessment fee revenues to remain operational.

**NYE COUNTY WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Basis of Presentation - Fund Financial Statements

The financial accounts of the District are organized on the basis of funds. A fund is considered to be a separate accounting entity. The operations of the General Fund are accounted for with a separate set of self-balancing accounts comprised of assets, liabilities, deferred outflows and inflows, fund equity, revenues, and expenditures. Separate financial statements are provided for the General Fund.

The fund financial statements provide information about the District's General Fund. The fund of the District is a governmental fund. Separate statements for the governmental fund are presented. The emphasis of fund financial statements is on major funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The District's governmental fund is a major fund.

General Fund - The General Fund is the general operating fund of the District. It is used to account for all resources and cost of operations traditionally associated with governments which are not required to be accounted for in other funds.

5. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Parcel assessment fees are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered "measurable" when in the hands of intermediary collecting governments and are then recognized as revenue. The District considers revenues to be "available" if they are collected within 60 days of the end of the current fiscal period. Anticipated refunds of parcel fees are recorded as liabilities and reductions of revenue when they are measurable, and the payment seems certain. In general, expenditures are recorded when liabilities are incurred. The exception to this rule is that principal and interest on debt service, as well as liabilities related to compensated absences and claims and judgments, are recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The major revenue source of the District is parcel assessment fees charged to owners of real property within Nye County, Nevada.

**NYE COUNTY WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Measurement Focus and Basis of Accounting (Continued)

Parcel assessment fees associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

6. Budgetary Information

Nevada Revised Statutes require that local governments legally adopt budgets for all funds. The budgets are filed as a matter of public record with the County Clerk and the Nevada Department of Taxation. District staff uses the following procedures to establish, modify, and control the budgetary data reflected in the financial statements:

1. The statutes provide for the following timetable in adoption of budgets:
 - a) Before April 15, the District submits to the Nevada Department of Taxation a tentative budget for the upcoming year. The tentative budget includes proposed expenditures and the means to finance them.
 - b) A public hearing must be held by the Board of Trustees no sooner than the third Monday in May and no later than the last day in May. Notice of the public hearing must be published in the local newspaper not more than 14 or less than 7 days before the hearing.
 - c) After all changes have been noted and hearings closed, the Board of Trustees adopts the budget on or before June 1.
2. NRS 354.598005(1) provides that the District Board may augment the budget at any time by a majority vote of the Board providing the Board publishes notice of its intention to act in a newspaper of general circulation within its county at least three days before the date set for adoption of the resolution.
3. Nevada Revised Statute 354.598005(5) allows appropriations to be transferred between functions, funds, or contingency accounts if such a transfer does not increase the total appropriation for any fiscal year and is not in conflict with other statutory provisions. The District may transfer appropriations within any function within a fund. The District Board may authorize the transfer of appropriations between funds or from the contingency account if the District Board announces the transfer of appropriations at a regularly scheduled meeting sets forth the exact amounts to be transferred, and the accounts and funds affected. The District Board must also set forth reasons for the transfer, and the action must be recorded in the official minutes of the meeting.
4. Statutory regulations require budget control to be exercised at the function level within the funds.
5. Generally, budgets for all funds are adopted in accordance with generally accepted accounting principles. Budgeted amounts reflected in the accompanying financial statements recognize amendments made during the year.
6. There were no budget augmentations during the year.
7. All budget appropriations lapse at the end of the fiscal year.

**NYE COUNTY WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

a. Pooled Cash and Investments

Cash includes cash in the hands of District officers, cash in the custody of the Nye County Treasurer, and cash deposited in interest-bearing accounts at banks by the Nye County Treasurer. The majority of cash and investment transactions of the District are handled by the Nye County Treasurer's office. Cash balances are combined and invested as permitted by law in combination with Nye County funds in the Nye County Treasurer's Investment Pool. Investments are stated at fair value on the balance sheet. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Changes in the fair value of District investments are part of investment income that is included in revenue from other sources on the Statement of Activities. (See Note C1)

The District's cash and cash equivalents in the governmental fund types are considered to be cash on hand, cash in custody of the Nye County Treasurer, demand deposits, non-negotiable certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition.

The majority of the District's cash and cash equivalents are in the custody of the Nye County Treasurer as required by Nevada Revised Statutes.

Nevada Revised Statutes authorize the District to invest in:

1. Obligations of the U.S. Treasury and U.S. Agencies in which the maturity dates do not exceed more than 10 years from the date of purchase.
2. Negotiable certificates of deposit issued by commercial banks or insured savings and loan associations (those over \$250,000 must be fully collateralized).
3. Negotiable notes or short-term negotiable bonds issued by local governments within Nevada.
4. Eligible bankers' acceptances that do not exceed 180 days maturity and do not exceed 20 percent of the portfolio.
5. Commercial paper with a rating of A-1 or P-1 that does not exceed 270 days maturity and does not exceed 20 percent of the portfolio.
6. The State of Nevada's Local Government Investment Pool.
7. Repurchase agreements that are collateralized at 102 percent of the repurchase price and do not exceed 90 days maturity. Securities used for collateral must meet the criteria listed above.
8. Money market mutual funds which are rated as "AAA" or its equivalent and invest only in securities issued by the Federal Government, U.S. Agencies, or repurchase agreements fully collateralized by such securities.
9. Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, or obligations publicly issued in the United States by a foreign financial entity registered with the Securities and Exchange Commission, denominated in dollars with a maturity of 5 years or less with a rating of "AA" or better.

The District has not established an investment policy further limiting its investments.

**NYE COUNTY WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

b. Parcel Assessment Fees

Parcel assessment fees are billed in July of each year and are due in July. The fees are billed and collected by the Nye County Treasurer.

c. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed. The District had no material inventories at June 30, 2021.

Payments to vendors that will benefit periods beyond June 30, 2021, are recorded as prepaid expenditures in the fund financial statements. They are recorded as prepaid items in the government-wide financial statements. The District had no material prepaid items at June 30, 2021.

d. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of \$3,000 or more and an estimated useful life in excess of one year. If purchased or constructed, capital assets are valued at cost where historical records are available and, if no historical records exist, at estimated cost. Capital assets are updated for additions and retirements during the year. Donated capital assets are valued at their estimated value as of the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. The District presently has no capital assets that meet the capitalization threshold of \$3,000.

e. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District's deferred outflows relate to pension activity.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only two types of items that qualify for reporting in this category. Unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, Real property parcel assessment fees. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available in the governmental financial statements. The other type of deferred inflow is related to pension activity.

**NYE COUNTY WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

e. Deferred Outflows/Inflows of Resources (Continued)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Nevada (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

f. Compensated Absences

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Estimated amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide financial statements. No expenditure is reported for these amounts in the fund financial statements.

g. Accrued Salaries and Benefits

District salaries earned but not paid by June 30, 2021, have been accrued as liabilities and shown as expenditures for the year ending June 30, 2021.

h. Governmental Fund Balances

In the governmental fund financial statements, fund balances may be classified as follows:

1. **Nonspendable** – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact, such as inventories and prepaids.
2. **Restricted** – Amounts that can be spent only for a specific purpose because of state or federal laws, or externally imposed conditions by grantors or creditors.
3. **Committed** – These amounts can only be used for specific purposes as set forth by the District Board. The Board must take formal action (vote approval by majority) in order to establish an ending fund balance commitment for any specific purpose. To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest-level action to remove or change the constraint.
4. **Assigned** – Assignments are neither restrictions nor commitments and represent the District's intent to use funds for a specific purpose. These assignments, however, are not legally binding and are meant to reflect intended future use of the District's ending fund balance. Intent can be expressed by the District Board or manager.
5. **Unassigned** – All amounts not included in other spendable classifications for the General Fund.

**NYE COUNTY WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

i. Fund Balance Flow Assumptions

When fund balance resources are available for a specific purpose in more than one classification, it is the District's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

j. Net Position Policies

In the government-wide statements, net position on the Statement of Net Position includes the following:

1. **Invested in Capital Assets, net of Related Debt** - This is the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction, or improvement of those assets.
2. **Restricted Assets** - This is the component of net position that reports the constraints placed on the use of assets by either external parties and/or enabling legislation.
3. **Unrestricted** - This is the component of net position that is the difference between the assets and liabilities not reported as Invested in Capital Assets, Net of Related Debt, and Restricted Assets.

k. Net Position Flow Assumption

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

l. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Compliance and Accountability

The District conformed to significant statutory requirements regarding financial administration during the year. Per NRS 354.626, the District is required to report expenditures that exceeded budgeted appropriations at the function level for the General Fund. The District had no expenditures that exceeded appropriations.

**NYE COUNTY WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE C - DETAILED NOTES ON ALL FUNDS

1. Pooled Cash and Investments

The majority of all cash and investments of the District are in the custody of the Nye County Treasurer. At June 30, 2021, this is displayed on the statement of net position and on the governmental funds balance sheet as “Pooled Cash and Investments.”

A reconciliation of cash and investments as shown on the Statement of Net Position for the District follows:

	Governmental Activities
Cash in the hands of officers	\$ 0
Pooled cash and investments - Nye County Treasurer	586,465
Total	\$ 586,465
Pooled cash and investments - Statement of Net Position	\$ 586,465

Cash and investments under the custody of the County Treasurer are invested as a pool. The County Treasurer may invest the money of the investment pool in investments which have been authorized as investments by Nevada Revised Statutes. (See Note A7a) The District has not adopted a formal investment policy that would further limit its investment choices.

Investment gain or loss is apportioned to the District funds monthly based on the average balance invested for the month. The fair value of the District’s investment in the Nye County Treasurer’s Investment Pool was determined by multiplying the pool’s fair value per share factor times the District’s portion of pool balance as of June 30, 2021.

Interest Rate Risk: Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from the rise in interest rates. To limit exposure to interest rate risk, the Nevada Revised Statutes limits bankers’ acceptances to 180 days of maturities, repurchase agreements to 90 days, U.S. Treasuries and Agencies to less than 10 years, and commercial paper to 270 days maturity. The approximate weighted average maturity of investments in the Nye County Treasurer’s investment pool was 4.51 years. Detailed information concerning the investment pool is in the annual financial report of Nye County, Nevada. As of June 30, 2021, District investments held in the Nye County Treasurer’s investment pool are categorized as follows:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	> 10
Negotiable Certificates of Deposit	22.10%	33.50%	54.63%	11.87%	0.00%
NV Local Government Investment Pool	0.68%	100.00%	0.00%	0.00%	0.00%
U.S. Agencies	71.60%	8.27%	35.79%	55.94%	0.00%
Money Market Mutual Funds	5.62%	100.00%	0.00%	0.00%	0.00%
	100.00%				

**NYE COUNTY WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

1. Pooled Cash and Investments (Continued)

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of its investments. The Nye County Treasurer investment pool includes instruments which have been authorized by Nevada Revised Statutes. (See Note A7a) At June 30, 2021, the Nye County Treasurer's investment pool ratings were as follows:

<u>Investment Type</u>	<u>Quality Ratings by Moody's</u>							<u>N/A</u>
	<u>Aaa</u>	<u>Aa1</u>	<u>Aa2</u>	<u>Aa3</u>	<u>A1</u>	<u>A2</u>	<u>A3</u>	
Negotiable Certificates of Deposit	0%	0%	0%	0%	0%	0%	0%	100%
NV Local Government Investment Pool	0%	0%	0%	0%	0%	0%	0%	100%
U.S. Agencies	100%	0%	0%	0%	0%	0%	0%	0%
Money Market Mutual Funds	0%	0%	0%	0%	0%	0%	0%	100%

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank or brokerage failure, the District's deposits may not be returned. The District's bank deposits are covered by FDIC insurance. Deposits in excess of FDIC insurance coverage in the Nye County Treasurer cash and investment pool are collateralized by securities held by the Office of the State Treasurer/Nevada Collateral Pool.

Concentrations of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. Investments with a single issuer within the Nye County Treasurer cash and investment pool that represent five percent or more of total investments as of June 30, 2021, are as follows:

Federal Farm Credit Bank	27.14%
Federal Home Loan Bank (FHLB)	19.19%
Freddie Mac	20.29%

The District reports investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2021:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>N/A</u>
Negotiable Certificates of Deposit	22.10%	0.00%	100.00%	0.00%	0.00%
NV Local Government Investment Pool	0.68%	32.68%	67.32%	0.00%	0.00%
U.S. Agencies	71.60%	0.00%	100.00%	0.00%	0.00%
Money Market Mutual Funds	5.62%	100.00%	0.00%	0.00%	0.00%
	<u>100.00%</u>				

**NYE COUNTY WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

2. Receivables

Below is the detail of receivables for each major fund:

	General Fund
Receivables:	
Assessment fees	\$ 35,186
Interest	1,276
	\$ 36,462

3. Unavailable Revenue

Parcel assessment fees receivable not collected within sixty days after year-end are recorded as deferred inflows of resources as they are not available to pay liabilities of the current period. Unavailable revenue in the General Fund was \$33,779 as of June 30, 2021.

4. Long-term Debt

Changes in General Long-Term Liabilities

During the year ended June 30, 2021, the following changes occurred:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due within one year
Governmental Activities:					
Compensated Absences	\$ 48,019	\$ 4,393	\$ 0	\$ 52,412	\$ 14,211
Net Pension Liability	180,764	9,694	0	190,458	0
Total Long-term Liabilities	\$ 228,783	\$ 14,087	\$ 0	\$ 242,870	\$ 14,211

Liabilities will be liquidated by the General Fund.

**NYE COUNTY WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

5. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined together with other local governments throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (NPAIP) is a public entity risk pool currently operating as a common risk management and insurance program for members. The District pays an annual premium to NPAIP for its property, casualty, crimes, and machinery insurance coverage. NPAIP is considered a self-sustaining risk pool that will provide liability coverage for its members up to \$10,000,000 per event and a \$10,000,000 annual aggregate per member. Property, crime, and equipment breakdown coverage is provided to its members up to \$300,000,000 per loss with various sub-limits established for earthquake, flood, equipment breakdown, and money and securities. As a participatory member, the maintenance deductible is \$500 for each insured event. Cyber security events including privacy response expense coverage is \$3,000,000 per event with an annual aggregate of \$3,000,000.

The District purchases workers' compensation benefits for its employees through a commercial carrier.

The District is self-insured for unemployment claims.

The District purchases health care benefits for its employees through a commercial carrier.

6. Contingent Liabilities

Litigation

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

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

**NYE COUNTY WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

7. Pension Plan

Plan Description. Half time and greater District employees are provided pension benefits through the Public Employees’ Retirement System of the State of Nevada (PERS), a cost sharing multiple-employer, defined benefit plan administered by the Public Employees’ Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. NRS Chapter 286 establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. The Public Employees’ Retirement System of the State of Nevada issues a publicly available financial report that includes financial statements and required supplementary information for PERS that can be obtained at www.nvpers.org under Quick Links — Publications.

Benefits Provided. Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member’s highest average compensation in any 36 consecutive months. Vested members are entitled to a life-time monthly retirement benefit equal to the service time multiplier (STM) percentages listed below times the member’s years of service to a maximum of 30 years. The schedule of Eligibility for Monthly Unreduced Retirement Benefits for regular members and police/fire members are as follows:

Eligibility for Regular Members:

Years of Service	Hired prior to 07/01/01		Hired between 07/01/01-12/31/09		Hired Between 01/01/10-07/01/15		Hired After 7/1/15	
	Age	STM%	Age	STM%	Age	STM%	Age	STM%
5 years	65	2.50%	65	2.67%	65	2.50%	65	2.25%
10 years	60	2.50%	60	2.67%	62	2.50%	62	2.25%
30 years	Any	2.50%	Any	2.67%	Any	2.50%	55	2.25%
33 1/3 years							Any	2.25%

Eligibility for Police and Fire Members:

Years of Service	Hired prior to 07/01/01		Hired between 07/01/01-12/31/09		Hired Between 01/01/10-07/01/15		Hired After 7/1/15	
	Age	STM%	Age	STM%	Age	STM%	Age	STM%
5 years	65	2.50%	65	2.67%	65	2.50%	65	2.25%
10 years	55	2.50%	55	2.67%	60	2.50%	60	2.25%
20 years	50	2.50%	50	2.67%	50	2.50%	50	2.25%
25 years	Any	2.50%	Any	2.67%				
30 years					Any	2.50%		

* Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575 - .579.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

**NYE COUNTY WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

7. Pension Plan (Continued)

Contributions: Benefits for plan members are funded under the employer pay contribution plan. The District is required to contribute all amounts due under the plan. PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The District’s required contribution rate for the year ending June 30, 2021, was 29.25% shared equally by employer and employee. The District has fully funded the amounts due for the year ending June 30, 2021.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contribution requirement as a percentage of salary.

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

At June 30, 2021, the District reported a liability of \$190,458 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2020. The District’s proportionate share of the net pension liability increased from 0.00133 percent at June 30, 2019 to 0.00137 percent at June 30, 2020.

For the year ended June 30, 2021, the District recognized pension expense of \$10,334. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,514	\$ 1,876
Net difference between projected and actual earnings on pension plan investments	0	5,488
Changes of assumptions	4,081	0
Changes in proportion	9,465	6,644
District contributions subsequent to measurement date	12,149	0
Total	\$ 30,209	\$ 14,008

**NYE COUNTY WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

7. Pension Plan (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions
(Continued)**

\$12,149 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$(5,243)
2023	486
2024	3,507
2025	3,987
2026	1,207
2027	108
	<u>\$ 4,052</u>

Actuarial Assumptions: The System's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Payroll Growth	Regular: 5.50%
	Police/Fire: 6.50%
Investment Rate of Return	7.50%, including inflation
Productivity pay increase	0.50%
Projected Salary increases	Regular: 4.25% to 9.15%, depending on service
	Police/Fire: 4.55% to 13.90%, depending on service
	Rates include inflation and productivity increases
Other assumptions	Same as those used in the June 30, 2020 funding actuarial valuation

**NYE COUNTY WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

7. Pension Plan (Continued)

Actuarial Assumptions (Continued):

Mortality rates were based on the following:

Healthy: Headcount-Weighted RP-2014 Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries.

For ages less than 50, mortality rates are based on the headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for members at age 50 to the mortality rate at age 50 from the Employee mortality tables listed above. The mortality rates are then projected to 2020 with Scale MP-2016.

Disabled: Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years.

The RP-2014 Healthy Annuitant Mortality Tables have rates only for ages 50 and later.

Pre-Retirement Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016

The RP-2014 Headcount-Weighted Mortality Tables, set forward one year for spouses and beneficiaries, reasonably reflect the projected mortality experience of the Plan as of the measurement date. The additional projection of 6 years is a provision made for future mortality improvement.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of the experience study for the period of July 1, 2012 through June 30, 2016.

The System's policies which determine the investment portfolio target asset allocation are established by the Public Employees' Retirement Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the Board-adopted policy target asset allocation as of June 30, 2020:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return*</u>
U.S. Stock	42%	5.50%
International Stock	18%	5.50%
U.S. Bonds	28%	0.75%
Private Markets	12%	6.65%

*As of June 30, 2020, PERS' long-term inflation assumption was 2.75%

**NYE COUNTY WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

7. Pension Plan (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.50% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employer and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020.

Sensitivity of the District's proportionate share of the net pension liability to change in the discount rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percent higher or lower than the current rate.

	1.0% Decrease (6.50%)	Discount Rate (7.50%)	1.0% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 297,041	\$ 190,458	\$ 101,842

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

Pension contributions payable. At June 30, 2021, the District reported payables to the defined benefit pension plan of \$737 for legally required employer contributions which had not yet been remitted to PERS.

**NYE COUNTY WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

8. Postemployment Health Care Plan

The District does not offer postemployment health care benefits to its employees.

9. Correction of an Error - Change in Net Position

In the prior year the District reported an expense, a related deferred outflow of resources, and a liability for other post-employment benefits (retiree insurance). The amounts were erroneously reported. The District is a component unit of Nye County Nevada and was erroneously included as a participating member of the Nye County Other Post-Employment Benefits Plan (OPEB). The District did not offer OPEB benefits to employees. As a result of this error a restatement of beginning net position is as follows:

	<u>Governmental</u>
Beginning Net position previously reported, July 1, 2020	\$ 311,941
Change in total OPEB liability	14,392
Change in Deferred outflows of resources	<u>(3,493)</u>
Beginning Net position as restated, July 1, 2020	<u><u>\$ 322,840</u></u>

**NYE COUNTY WATER DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA
LAST 10 YEARS*
JUNE 30, 2021**

Year Ended June 30	Contractually Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2014	30,267	30,267	-	117,542	25.75%
2015	35,538	35,538	-	138,012	25.75%
2016	36,057	36,057	-	128,775	28.00%
2017	21,988	21,988	-	78,529	28.00%
2018	12,948	12,948	-	92,486	14.00%
2019	13,169	13,169	-	94,064	14.00%
2020	10,929	10,929	-	74,728	14.63%
2021	12,149	12,149	-	81,643	14.88%

**Information previous to 2014 is not available.*

Beginning with the year-ended 2018, all contributions shown reflect employer-paid contributions only, and employer-paid member contributions are excluded. Actuarially determined contributions above are based on actuarially determined contribution rates (employer portion only) from the most recent rate-setting year prior to the year shown, applied to covered payroll for year shown.

See accompanying notes to required supplementary information.

**NYE COUNTY WATER DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA
LAST 10 YEARS*
JUNE 30, 2021**

Reporting Year Ended June 30:	District's proportion of the net pension liability	District's proportionate share of the net pension liability	District's covered- employee payroll	District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2016	0.00146%	167,362	138,012	121.27%	75.10%
2017	0.00132%	177,576	128,775	137.90%	72.20%
2018	0.00125%	165,803	78,529	211.14%	74.40%
2019	0.00128%	172,998	92,486	187.05%	75.20%
2020	0.00133%	180,764	94,064	192.17%	76.50%
2021	0.00137%	190,458	74,728	254.87%	77.00%

**Information prior to 2016 is unavailable*

The District's proportionate share of the net pension liability is based upon the measurement taken on June 30th, of the prior year.

See accompanying notes to required supplementary information.

**NYE COUNTY WATER DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

Note 1 – Net Pension Liability

Changes in benefit terms. There have been no changes in benefit terms since the last valuation.

Changes in assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.