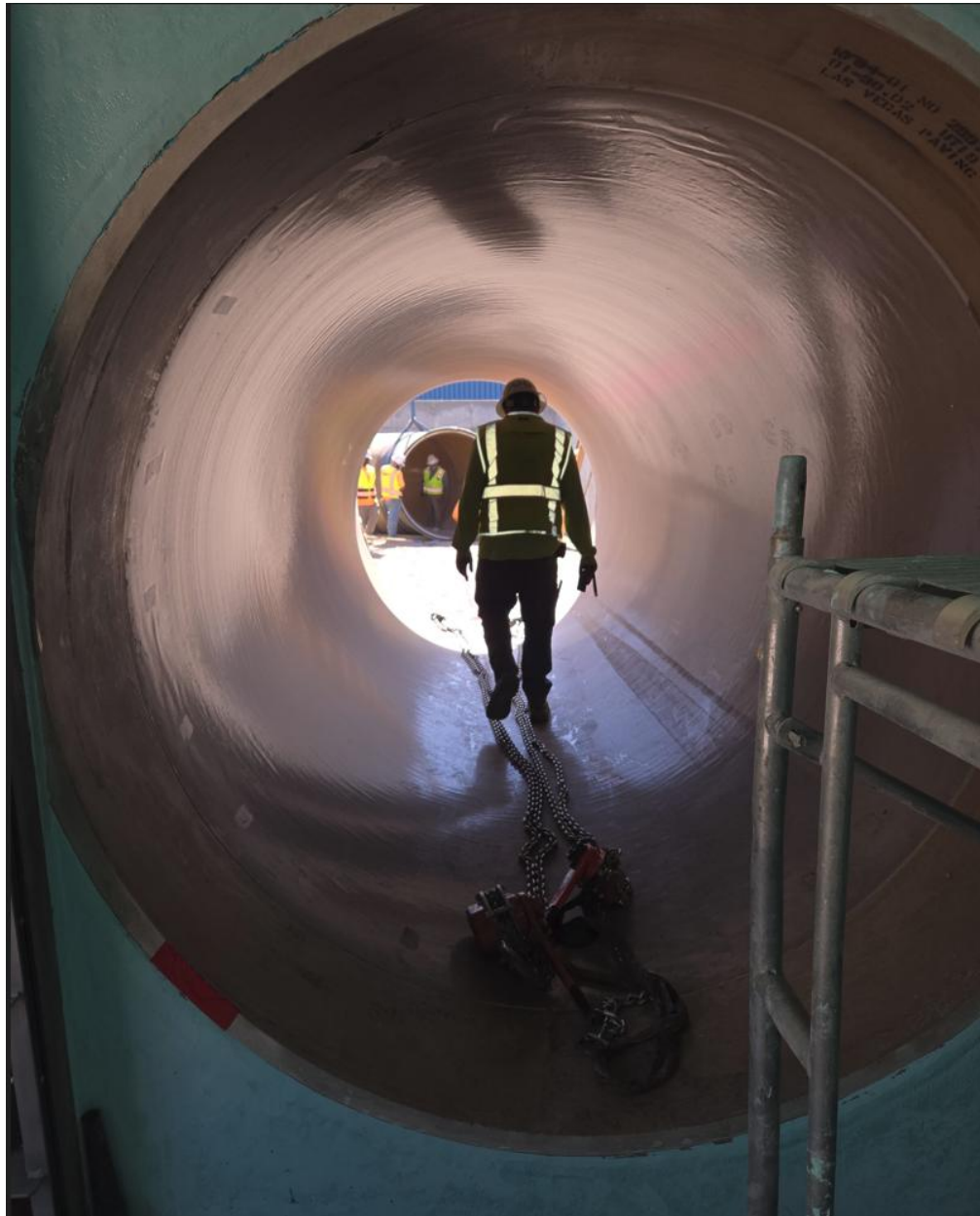


Clark County
Water Reclamation District
A Component Unit of Clark County, Nevada

Annual Comprehensive Financial Report
For The Fiscal Years Ended June 30, 2024 and 2023



Clark County Water Reclamation District

A Component Unit of Clark County, Nevada

ANNUAL COMPREHENSIVE FINANCIAL REPORT



*The
"Clean Water Team"*

CLARK COUNTY WATER RECLAMATION DISTRICT

5857 East Flamingo Road

Las Vegas, Nevada 89122

(702) 434-6600

www.cleanwaterteam.com

FOR THE FISCAL YEARS ENDED

JUNE 30, 2024 AND 2023

Prepared by the Financial Services Group

Under the Supervision of

Brett Borek, Finance Manager

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Years Ended June 30, 2024 and 2023

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The Las Vegas Strip in the background of the Flamingo Water Resource Center

A stylized graphic of two overlapping waves. The top wave is light blue and the bottom wave is light teal. Both waves are curved and have a soft, rounded appearance.

Introductory Section

The
"Clean
Water Team"



Early morning concrete pours ensure better quality concrete and protect the construction staff from the summer heat

CLARK COUNTY WATER RECLAMATION DISTRICT ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Years Ended June 30, 2024 and 2023

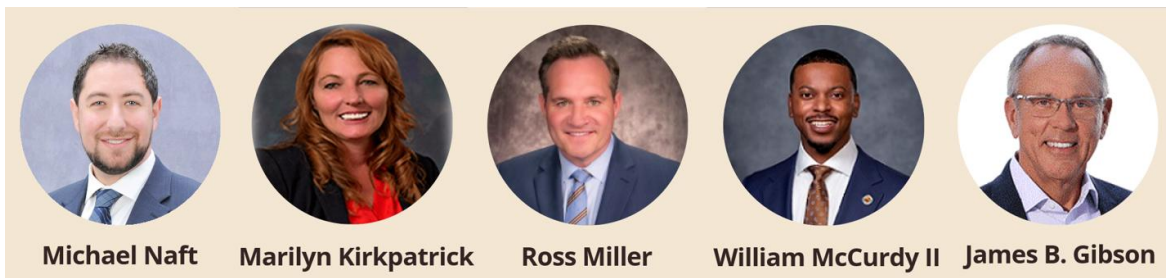
Clark County Water Reclamation District Officials

A Board of Trustees, consisting of seven members, governs the Clark County Water Reclamation District (the District). Each member also sits on the seven-member Clark County Commission. Current Trustees of the District Board are as follows:



Tick Segerblom
Chair

Justin Jones
Vice-Chair



Michael Naft

Marilyn Kirkpatrick

Ross Miller

William McCurdy II

James B. Gibson

Other Elected Officials

J Ken Diaz

Treasurer

Lynn Goya

County Clerk

District Administrative Officials

Thomas A. Minwegen

General Manager

David Stoft

General Counsel

Daniel Fischer

Deputy General Manager, Plant Operations and Laboratory

Shawn Mollus

Deputy General Manager, Engineering and Construction

Brenda Pappas

Deputy General Manager, Human Resources and Customer Care

Charles Ocansey

Chief Financial Officer

Srinivas Chundu

Chief Information Officer

Richard Donahue

Assistant General Manager, Collection System

Charlie Lee

Assistant General Manager, Asset Management and Reliability



Clark County Water Reclamation District

October 31, 2024

Ex Officio Board of Trustees
Board of County Commissioners
Clark County Water Reclamation District
500 South Grand Central Parkway
Las Vegas, Nevada 89155-1601

Honorable Trustees and Rate Payers of the Clark County Water Reclamation District:

We wish to express our appreciation to the Board for their leadership and support in planning and coordinating the operations of the Clark County Water Reclamation District (the District). We are pleased to present the District's Annual Comprehensive Financial Report (Annual Report) for the fiscal years (FY) ended June 30, 2024 and 2023.

Nevada Revised Statute (NRS) 354.624 requires the District to issue a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. This Annual Report was prepared by the District's Financial Services Group following those principles and standards.

Management assumes full responsibility for both the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

BDO USA, PC, a firm of Certified Public Accountants, has performed an independent audit of the District's basic financial statements for the FYs ended June 30, 2024 and 2023, and issued an unmodified ("clean") report thereof. The independent auditor's report is in the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A and the financial statements complement this letter of transmittal and should be read in conjunction with it.

District Information

The purpose of the District is to ensure the collection, treatment, and reclamation of wastewater so it can be safely returned to the environment. The District was established as a General Improvement District under Nevada Revised Statute (NRS) 318 in 1954 and, as such, is a political subdivision of the State. The District by authority granted, can levy taxes, sell bonds, create assessment districts, and has the right of eminent domain. The District's bond covenants stipulate that rates and

charges be sufficient to cover operation and maintenance costs and general expenses, including principal and interest payments on outstanding bonds.

The District is governed by a seven-member ex officio Board of Trustees (the Board) comprised of the members of the Clark County Commission. The Commissioners are elected to the Clark County Commission from geographical districts for staggered four-year terms. The Board elects a chairperson and a vice-chairperson to serve as the Board's presiding officers. The Board has the power to set the District's rates and charges. Currently, the District's Chairperson is Commissioner Tick Segerblom, and the Vice-Chairperson is Commissioner Justin Jones.

Since the ex officio Board of Trustees can influence and control District operations, the District is considered a component unit of Clark County. Per NRS 354.475, the District, as a component unit, submits its tentative budget as part of the overall County budget for the next fiscal year to the Nevada State Department of Taxation by April 15. The budget, as submitted, contains the proposed expenses, and means of financing them. A special public hearing is set for the third Monday in May. After all changes have been noted and hearings closed, the Board adopts the budget on or before June 1.

As a General Improvement District, the District's cost of providing goods and services on a continuing basis is financed primarily through user charges. Because external customers are charged a fee for services, the District operates as an enterprise fund. To that end, rates and charges should be sufficient to meet all the District's revenue requirements (both operating and capital). The District follows the customer User Charge System guidelines set forth in Code of Federal Regulations Section 40 Part 35, which are requirements imposed on the District as an Environmental Protection Agency grant-assisted wastewater facility.

The District employs the accrual basis for recording and reporting financial transactions. Therefore, revenues and expenses are recorded in the period in which they are earned and incurred, respectively. During the year, funds will be encumbered upon approval of individual purchase orders. At year end, encumbrances lapse on unfilled orders for operations and maintenance items. Items or services received after year end are charged to the next fiscal year. The acquisition, repairs and improvement of the wastewater facilities required to provide services may be financed from existing cash resources, the issuance of bonds, state revolving loans, the receipt of grants, and other financing mechanisms.

The District's facilities consist of a network of over 2,300 miles of pipelines for the conveyance of wastewater to facilities for treatment in the unincorporated areas of Clark County including the resort destinations on the Las Vegas Strip. The District also operates facilities in service areas outside of the Las Vegas Valley, including Laughlin, Searchlight, Moapa Valley, Blue Diamond, and Indian Springs as shown on the Page IX Service Area Map. Wastewater is conveyed to the treatment facilities, where it undergoes a series of physical, biological, and chemical processes that produce effluent that meets or exceeds federal, state, and local discharge standards.

All major sewer lines within the system were constructed after 1954. Approximately 60% of the District's sewer lines have been installed since 1988. The District's wastewater treatment systems service 267,289 active accounts: 257,529 are residential accounts and 9,760 are commercial accounts. A total of 262,954 accounts are in the Las Vegas Valley, 2,833 are in Laughlin, and 1,502 are accounts in all other service areas.

Local Economy

Economic and business activities in the state have all returned to normal. Southern Nevada’s continued growth and diversification make it a prime region for business relocation. Studies have shown that Las Vegas and surrounding areas were the top destination for businesses fleeing California and others. Another survey also rated Nevada as one of the top states for new corporate investments based on tax and business climate.

According to CBER, Clark County is still displaying favorable economic conditions. Most if not all economic indicators including, but not limited to housing, gaming, unemployment, etc. for the region still looks favorable.

The County also hosted the formula 1 (F1) race and the Super Bowl which were both successful and looks to be a recurring theme going forward.

UNLV Center for Business and Economics Research (CBER) forecasts that Clark County population will grow steadily in the short term at rates of 1.6% in 2024, 1.4% and 2.0% respectively in both 2025 and 2026.

The table below shows Clark County visitor volume, McCarran International Total Passengers, and unemployment rates for the months of April, May and June for both 2023 and 2024. This shows that the economy of Las Vegas and Clark County is still strong and resilient.

	Apr 2023	May 2023	Jun 2023	Apr 2024	May 2024	Jun 2024
Clark County Visitor Volume	3.58M	3.70M	3.63M	3.71M	3.85M	3.69M
McCarran International Airport Passengers	4.80M	4.95M	4.88M	4.88M	5.19M	5.04M
Unemployment Rates (NSA)	5.5%	5.6%	6.0%	5.2%	5.6%	6.2%

Source: Outlook CBER and CBER 2024 CBER Population Forecast

Long-Term Financial Planning and Major Initiatives

The District maintains both a Five-Year Capital Improvement Plan and a Long-Term Comprehensive Financial Plan. Included in both plans are the current and projected capital improvement program (CIP) costs, revenue and expense projections, and rate modeling. The District’s CIP includes rehabilitation and replacement of existing infrastructure, new infrastructure, and expansion of existing infrastructure due to service area growth or capacity requirements.

These comprehensive plans link the District’s physical development planning with the fiscal planning. The Five-Year Capital Improvement Plan and Long-Term Comprehensive Financial Plans allow for adjustments to be made based on changes in activity, requirements, and needs, while providing the District with the ability to maintain strong and stable cash reserves.

The District’s annual sewer service charges pay for services, supplies, personnel, debt service, and capital rehabilitation and replacement. The District uses a universal rate system, where all service areas are charged the same annual amount for sewer service fees per Equivalent Residential Unit (ERU). A single-family residence has a billing value of 1.0 ERU; all other residential and commercial accounts are derived from that base value. The District’s annual sewer service rate on July 1, 2023 was \$ 253.20 per ERU and increased on July 1, 2024 to \$ 273.48 per ERU.

System Development Approval (SDA) fees are connection fees the District charges for each ERU that connects to the wastewater facilities. SDA fees are due and payable in advance of connection to the District’s facilities. It is the practice of the District to apply SDA revenues to the District’s capital expansion program, capital equipment related to expansion of existing infrastructure due to service area growth or capacity requirements, and expansion related debt. Page VIII provides an overview of the District’s Sources and Uses of Funds.

As of June 30, 2024, the Five-Year Capital Improvement Plan (FY 2025 through FY 2029) totaled \$1.1 billion. This estimated amount reflects the various capital projects that are expected to be designed and/or constructed over the next five years to rehabilitate existing infrastructure and to meet expansion needs. Of the total amount, the District plans to spend \$1 billion in the Las Vegas Valley - \$448 million for replacement and rehabilitation and \$552 million on capacity expansion projects. Outside the Las Vegas Valley, the District plans to spend \$62 million for rehabilitation and replacement projects. Management of the CIP is budgeted at \$45.9 million. Capital equipment is budgeted at \$53 million for various new and replacement equipment.

CCWRD raised \$340 Million in General Obligation debt from the Capital markets in 2023 to help finance the district's CIP program.

Relevant Financial Policies

Debt Administration

In accordance with Subsection (1)(c) of NRS 350.013, the District annually submits its Debt Management Policy to the State Department of Taxation and the Debt Management Commission. The purpose of the policy is to manage the issuance of the District's debt obligations and to maintain the District's ability to incur debt and other long-term obligations at favorable interest rates for capital improvements, facilities, and equipment.

It is the general intent of the District that revenue from rates and charges are adequate to cover all its costs and that ad valorem taxes be avoided. Historically, ad valorem taxes have not been relied on to support the District's operations or debt service. No plan or intention to call upon ad valorem taxes is in place to support the District's debt or other financial requirements. The District's Debt Management Policy can be viewed on the District's web site at <http://www.cleanwaterteam.com>.

Credit ratings indicate to potential investors whether an entity is considered a good credit risk. Credit ratings issued by the bond rating agencies are a major factor in determining the cost of borrowed funds in the municipal bond market and other debt financing mechanisms. The District currently holds a AAA bond rating with a stable outlook from Standard and Poor's and an Aa1 rating from Moody's Investor Services. These ratings reflect the District's strong management and financial position, stable revenues, and effective financial planning.

Each time the District issues bonds through a competitive sale, a Continuing Disclosure Certificate must be executed. The Continuing Disclosure Certificate outlines the District's responsibilities regarding compliance with Securities and Exchange Commission (SEC) Rule 15c2-12(b)(5). As of July 1, 2009, the Municipal Securities Rulemaking Board (MSRB) requires all municipal issuers to electronically file Annual Reports and Material Event Notices through the Electronic Municipal Market Access (EMMA) System which are available at <http://emma.msrb.org>. The District is in compliance with this requirement.

Designated Unrestricted Reserves

Pursuant to current policy, the District maintains several designated unrestricted reserves. Designated unrestricted reserves are available for appropriation, but the funds have been earmarked for a particular purpose. Designated unrestricted funds are designated to reflect the District's management priorities, such as completion of capital improvement projects or providing for unknown contingent liabilities.

Restricted Reserves

It is the District's policy to maintain restricted fund balance reserves. These reserves are used to segregate financial resources of a fund reserve that are not available to liquidate liabilities of the current period. The District's current restricted reserves include bond reserves held by the Clark County Treasurer's office, and a workers' compensation insurance fund.

Board of County Commissioners
October 31, 2024

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Clark County Water Reclamation District for its Annual Comprehensive Financial Report for the year ended June 30, 2023. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report that satisfies both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that our current report conforms to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the effort and dedicated service of the accounting and finance service sections. Our appreciation is also extended to all District staff for their assistance and contribution to the preparation of this report.

Respectfully submitted,



Thomas A. Minwegen
General Manager



Charles Ocansey
Deputy General Manager and CFO

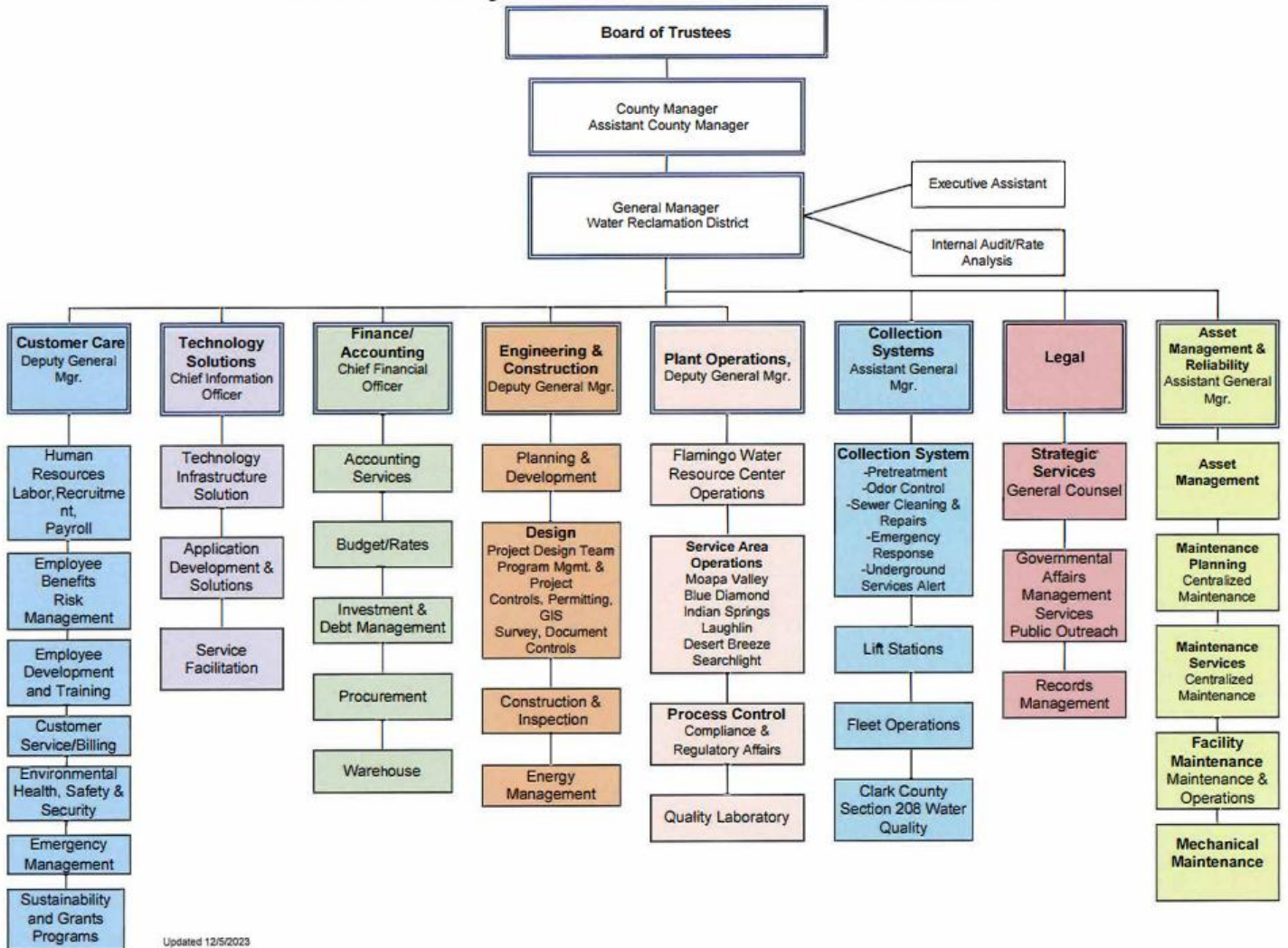
BOARD OF TRUSTEES

Tick Segerblom, Chair. Justin Jones, Vice Chair.

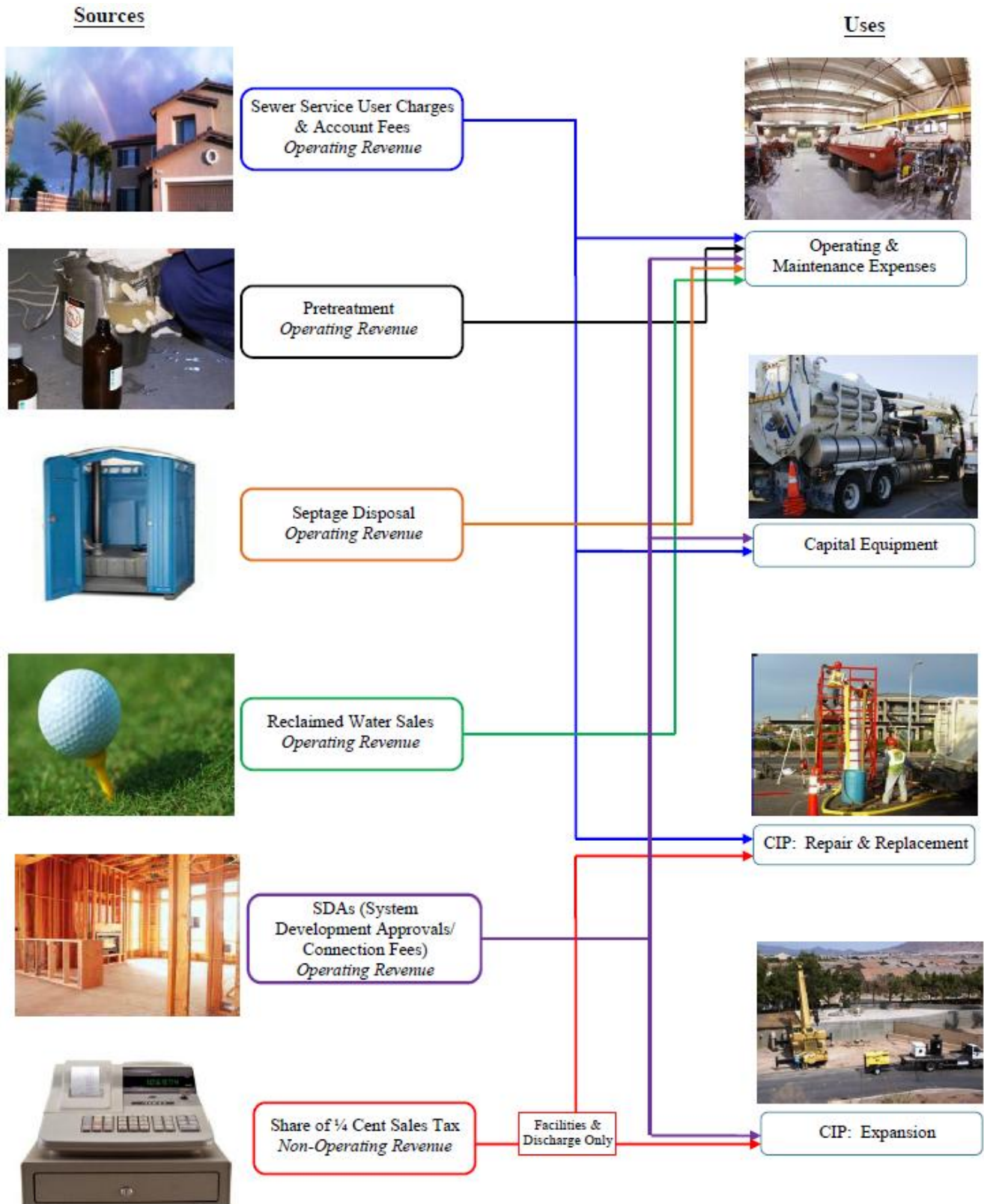
*James B. Gibson. Marilyn Kirkpatrick. William McCurdy II. Ross Miller. Michael Naft.
Tom Minwegen, General Manager.*

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cleanwaterteam.com

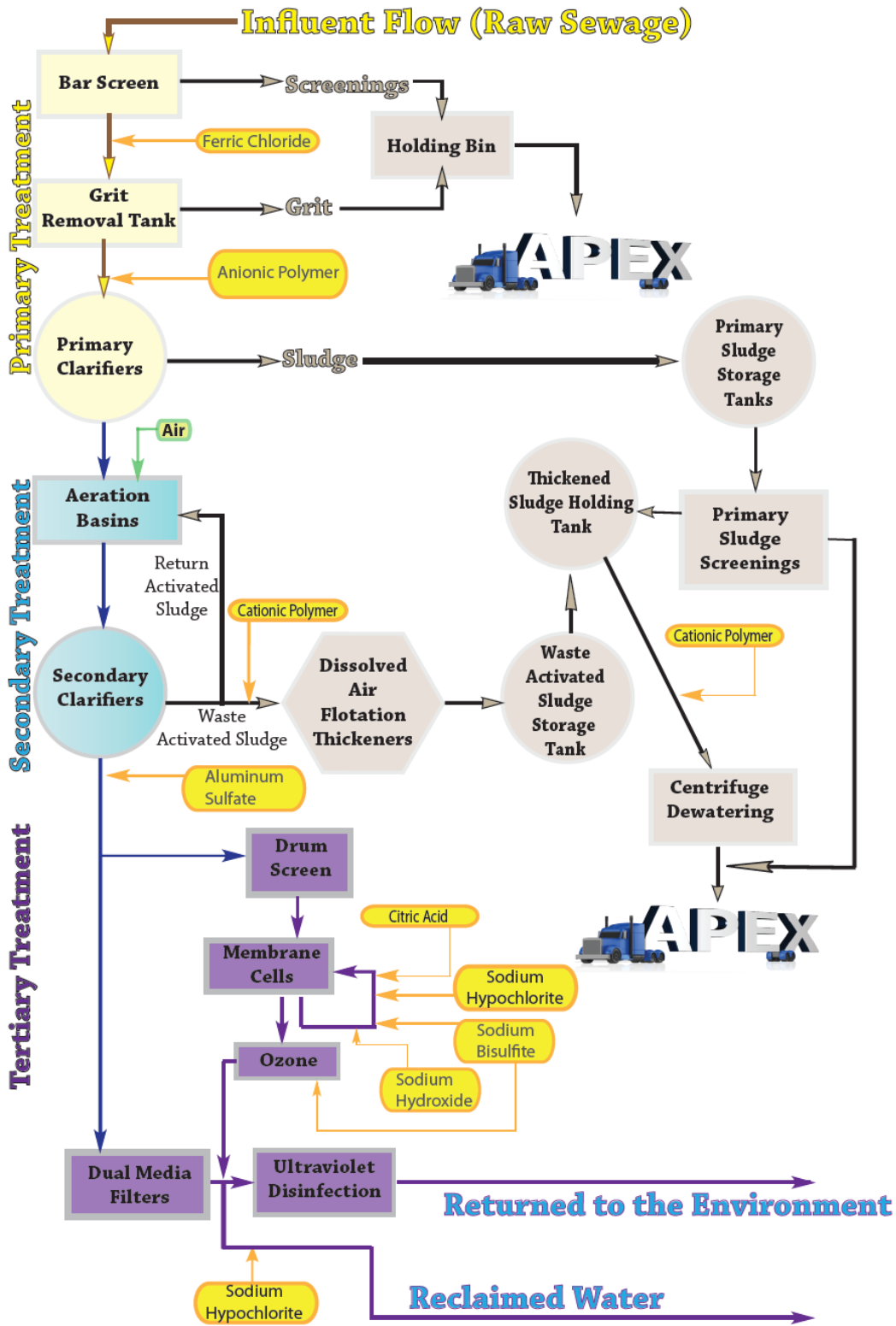
Clark County Water Reclamation District



Clark County Water Reclamation District Sources and Uses of Funds



Flamingo Plant Treatment Processes





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Clark County Water Reclamation District
Nevada**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO



Installation of 21-in C900 PVC pipe at the NDOT Tropicana Avenue interchange project

A stylized graphic of three overlapping waves. The top wave is light blue, the middle wave is a lighter cyan, and the bottom wave is a medium blue. The waves are curved and layered, creating a sense of movement and depth.

Financial Section

The
"Clean
Water Team"



Independent Auditor's Report

Honorable Clark County Water Reclamation District Board of Trustees
Clark County Water Reclamation District, Nevada

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Clark County Water Reclamation District (the District), a component unit of Clark County, Nevada, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2024 and 2023, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in total OPEB liability – PEBP and Self-Funded/HPN, schedule of proportionate share of contractually required OPEB contribution information - PEBP, schedule of proportionate share of net pension liability, schedule of proportionate share of statutorily required pension contribution information, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Capital Assets, Schedule of Revenues and Expenses Compared to Budget and Schedule of Cash Flows Compared to Budget are presented for purposes of additional analysis and are 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 GAAS. In our opinion, the Schedule of Capital Assets, Schedule of Revenues and Expenses Compared to Budget and Schedule of Cash Flows Compared to Budget are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion 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 31, 2024 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.

BDO USA, P.C.

Las Vegas, Nevada
October 31, 2024

CLARK COUNTY WATER RECLAMATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

As management of the Clark County Water Reclamation District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended June 30, 2024 and 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our financial statements which follow this analysis.

Financial Highlights

- Total Net Position increased by \$121.0 million (5.6%) to \$2.3 billion at June 30, 2024. During fiscal year ended 2023, total Net Position increased by \$79.9 million (3.9%) for a total of \$2.1 billion.
- Change in Net Position increased by \$41.2 million (51.5%) to \$121.0 million for fiscal year 2024. During fiscal year ended 2023 Change in Net Position increased by \$9.1 million (12.9%) for a total of \$79.9 million.
- Capital Assets, Net of Accumulated Depreciation increased by \$200.3 million (9.7%) to \$2.3 billion at June 30, 2024. During fiscal year ended 2023, Capital Assets, Net of Accumulated Depreciation, increased by \$70.4 million (3.5%) for a total of \$2.1 billion.

Overview of the Financial Statements

The District uses accrual basis accounting and accounts for all assets used in the production of services offered. The financial statements of the District are self-contained and may be used by its Board of Trustees, rate payers, creditors, investors, legislators, or the general public to evaluate the performance of the District in a manner similar to that used to evaluate private sector businesses.

The District is required to present three basic financial statements – The Statement of Net Position; The Statement of Revenues, Expenses and Changes in Net Position; and The Statement of Cash Flows.

The Statement of Net Position, which outlines the District's financial and capital resources, serves as the District's statement of financial position or balance sheet. Net Position equals assets, plus deferred outflows of resources, minus liabilities, minus deferred inflows of resources.

The Statement of Revenues, Expenses and Changes in Net Position presents basic information regarding the District's financial activities and provides insight to the user regarding the sources of funding for the District's operations.

The Statement of Cash Flows reports cash receipts and disbursements during the reporting year for operating activities, capital and related financing activities, and investing activities.

All statements are prepared in accordance with accounting principles generally accepted in the United States.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the District's financial statements. The notes to the financial statements can be found on pages 18 - 42 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's progress in funding its obligation to provide Postemployment Benefits Other Than Pensions (OPEB) to its employees and its proportionate share of net pension liability and schedule of contributions related to pension. Required supplementary information can be found beginning on page 45 of this report.

CLARK COUNTY WATER RECLAMATION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

Financial Analysis

Net position over time may serve as a useful indicator of a government’s financial condition. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$2.3 billion and \$2.1 billion in fiscal years 2024 and 2023, respectively. Net position increased 5.6% in fiscal year 2024 and increased 3.9% in fiscal year 2023. See Net Position (Table 1), for a summary of the District’s net position over the last three years.

Table 1 - Net Position

	Year Ended June 30, 2024	Year Ended June 30, 2023	Increase (Decrease)		Restated Year Ended June 30, 2022	Increase (Decrease)	
Current and other assets	\$ 883,701,606	\$ 583,719,180	\$ 299,982,426	51.4%	\$ 577,283,589	\$ 6,435,591	1.1%
Capital assets	2,269,239,384	2,068,949,848	200,289,536	9.7%	1,998,533,069	70,416,779	3.5%
Total Assets	<u>3,152,940,990</u>	<u>2,652,669,028</u>	<u>500,271,962</u>	18.9%	<u>2,575,816,658</u>	<u>76,852,370</u>	3.0%
Deferred Loss on Bond Refunding	27,927,530	29,922,362	(1,994,832)	(6.7%)	31,917,194	(1,994,832)	(6.3%)
Deferred Outflows/OPEB	9,071,662	9,854,324	(782,662)	(7.9%)	6,267,858	3,586,466	57.2%
Deferred Outflows/Pension Plan	25,300,063	29,009,286	(3,709,223)	(12.8%)	22,060,280	6,949,006	31.5%
Current liabilities	91,038,625	62,901,287	28,137,338	44.7%	50,516,165	12,385,122	24.5%
Non-Current liabilities	835,628,775	490,470,363	345,158,412	70.4%	468,089,453	22,380,910	4.8%
Total Liabilities	<u>926,667,400</u>	<u>553,371,650</u>	<u>373,295,750</u>	67.5%	<u>518,605,618</u>	<u>34,766,032</u>	6.7%
Deferred Inflows/OPEB	19,222,061	21,523,027	(2,300,966)	(10.7%)	19,329,728	2,193,299	11.3%
Deferred Inflows/Pension Plan	3,266,001	1,501,523	1,764,478	117.5%	32,943,354	(31,441,831)	(95.4%)
Net Position:							
Net investment in capital assets	1,510,586,855	1,678,044,240	(167,457,385)	(10.0%)	1,606,603,002	71,441,238	4.4%
Restricted	185,049,081	26,914,208	158,134,873	587.6%	26,193,105	721,103	2.8%
Unrestricted	570,448,847	440,100,352	130,348,495	29.6%	432,387,183	7,713,169	1.8%
Total Net Position	<u>\$2,266,084,783</u>	<u>\$2,145,058,800</u>	<u>\$ 121,025,983</u>	5.6%	<u>\$2,065,183,290</u>	<u>\$ 79,875,510</u>	3.9%

As outlined in the above table, total net position is comprised of three distinct components: net investment in capital assets, restricted and unrestricted. By far, the largest portion of the District’s net position of \$2.3 billion reflects its investment in capital assets. This portion, \$1.5 billion, represents the capital assets net of any outstanding debt that is directly attributable to the acquisition, construction or improvement of those assets. The District uses those capital assets to provide services to rate payers; consequently, those assets are not available for future spending.

An additional portion of the District’s net position, approximately \$185.0 million, represents resources that are subject to constraints due to legislative restrictions or bond covenants. The remaining balance of \$570.4 million is unrestricted and may be used to meet ongoing obligations to rate payers and creditors that are not funded by restricted resources or for use in the event of a facility emergency.

At the end of the current fiscal year, the District was able to report positive balances in all three categories of net position. The same situation held true for the two previous fiscal years.

Fiscal Year Ended 2024 Summary:

- Total assets increased \$500.3 million (18.9%) over fiscal year ended 2023 as a result of an increase in cash and cash equivalents, investments, and construction in progress.
- Total liabilities increased \$373.3 million (67.5%) over fiscal year ended 2023 primarily due to an increase in outstanding debt payable.

CLARK COUNTY WATER RECLAMATION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

Fiscal Year Ended 2023 Summary:

- Total assets increased \$76.9 million (3.0%) over fiscal year ended 2022 as a result of an increase in cash and cash equivalents and capital assets.
- Total liabilities increased \$34.8 million (6.7%) over fiscal year ended 2022 primarily due to an increase in the net pension liability of \$41.4 million.

Fiscal Year Ended 2022 Summary:

- Total assets increased \$50.4 million (2.0%) over fiscal year ended 2021 as a result of an increase in cash and cash equivalents and capital assets.
- Total liabilities decreased \$36.5 million (-6.6%) over fiscal year ended 2021 primarily due to a decrease in the non-current bond debt of \$21.0 million and net pension liability of \$21.3 million.

Changes in the District’s net position can be determined by a review of the following condensed Statements of Revenues, Expenses and Change in Net Position (Table 2).

Table 2 - Change in Net Position

	Year Ended June 30, 2024	Year Ended June 30, 2023	Increase (Decrease)		Restated Year Ended June 30, 2022	Increase (Decrease)	
Operating Revenues:							
Sewer service charges	\$ 189,798,718	\$ 181,277,137	\$ 8,521,581	4.7%	\$ 173,745,086	\$ 7,532,051	4.3%
Connection fees	31,833,101	26,648,512	5,184,589	19.5%	34,747,232	(8,098,720)	(23.3%)
Other	3,294,262	1,646,206	1,648,056	100.1%	1,673,444	(27,238)	(1.6%)
Total Operating Revenues	<u>224,926,081</u>	<u>209,571,855</u>	<u>15,354,226</u>	7.3%	<u>210,165,762</u>	<u>(593,907)</u>	(0.3%)
Non-Operating Revenues (Expenses):							
Sales tax apportionment	29,401,139	28,525,841	875,298	3.1%	26,752,260	1,773,581	6.6%
Investment income	46,116,591	4,372,232	41,744,359	954.8%	(27,151,876)	31,524,108	(116.1%)
Other	(28,164,255)	(12,944,395)	(15,219,860)	117.6%	(11,560,092)	(1,384,303)	12.0%
Total Non-Operating Revenues (Expenses)	<u>47,353,475</u>	<u>19,953,678</u>	<u>27,399,797</u>	137.3%	<u>(11,959,708)</u>	<u>31,913,386</u>	(266.8%)
Total Revenues, Net	<u>272,279,556</u>	<u>229,525,533</u>	<u>42,754,023</u>	18.6%	<u>198,206,054</u>	<u>31,319,479</u>	15.8%
Operating Expenses:							
Personnel	50,071,255	43,778,127	6,293,128	14.4%	34,983,824	8,794,303	25.1%
Other	58,412,552	51,468,283	6,944,269	13.5%	40,584,553	10,883,730	26.8%
Depreciation	91,619,169	92,164,360	(545,191)	(0.6%)	92,370,393	(206,033)	(0.2%)
Total Operating Expenses	<u>200,102,976</u>	<u>187,410,770</u>	<u>12,692,206</u>	6.8%	<u>167,938,770</u>	<u>19,472,000</u>	11.6%
Income Before Capital Contributions	72,176,580	42,114,763	30,061,817	71.4%	30,267,284	11,847,479	39.1%
Capital Contributions:							
Contributed assets	48,849,403	37,760,747	11,088,656	29.4%	40,459,648	(2,698,901)	(6.7%)
Change in Net Position	121,025,983	79,875,510	41,150,473	51.5%	70,726,932	9,148,578	12.9%
Net Position, Beginning of the Year	2,145,058,800	2,065,183,290	79,875,510	3.9%	1,994,456,358	70,726,932	3.5%
Net Position, End of Year	<u>\$ 2,266,084,783</u>	<u>\$ 2,145,058,800</u>	<u>\$ 121,025,983</u>	5.6%	<u>\$ 2,065,183,290</u>	<u>\$ 79,875,510</u>	3.9%

The primary source of operating revenues, sewer service charges, totaled \$189.8 million. Operating revenues also include connection fees, reclaimed water sales, pretreatment inspection fees, septage waste processing fees and miscellaneous fees. Operating revenues fund all operational expenses including repair and maintenance, rehabilitation and replacement of the District’s infrastructure and equipment, and related debt service.

CLARK COUNTY WATER RECLAMATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

The primary source of non-operating revenues was sales tax apportionment of \$29.4 million and investment income of \$46.1 million. Non-operating revenues are used to fund the expansion of capital infrastructure and equipment related to service area growth and capacity requirements and debt service.

Depreciation expense remained relatively flat at \$91.6 million, (-0.6%) compared to \$92.2 million in 2023. Contributed assets totaled approximately \$48.8 million and \$37.8 million for fiscal years ended 2024 and 2023, respectively.

Fiscal Year Ended 2024 Summary:

- Total operating revenues increased by \$15.4 million (7.3%) compared to fiscal year ended 2023, driven by an increase in sewer service charges from \$246.44 to \$253.20 per ERU, (2.75%), and adding 10,124 new customers. Connection fees also increased due to more year over year developer activity.
- Total non-operating revenues (expenses) increased \$27.4 million (137.3%) over fiscal year ended 2023 as a result of an increase in investment income of \$41.7 million and an increase in interest expense of \$15.3 million, both due to the addition of \$336.6 million in general obligation bonds during the fiscal year.
- Total net revenues increased \$42.8 million 18.6% over fiscal year ended 2023.
- Total operating expenses excluding depreciation of \$91.6 million, increased \$13.2 million (14%) over fiscal year ended 2023 as a result of an increase in payroll expense of \$6.3 million and utility costs of \$2.4 million.
- Total expenses increased \$12.7 million (6.8%) over fiscal year ended 2023.

Fiscal Year Ended 2023 Summary:

- Total operating revenues were relatively flat compared to fiscal year ended 2022. Sewer service charges increased from \$239.84 to \$246.44 per ERU (2.75%) plus an additional 13,845 new customers which increased revenue by \$7.5 million. This increase was offset by the \$8.1 million decrease in connection fees due to slower developer activity in fiscal year 2023.
- Total non-operating revenues (expenses) increased \$31.9 million (-266.8%) over fiscal year ended 2022 as a result of an increase in investment income of \$31.5 million due to the adjustment of investments to carrying value.
- Total net revenues increased \$31.3 million (15.8%) over fiscal year ended 2022.
- Total operating expenses excluding depreciation of \$92.2 million, increased \$19.7 million (26.0%) over fiscal year ended 2022 as a result of an increase in pension expense of \$8.4 million and maintenance costs of \$5.2 million.
- Total expenses increased \$19.5 million (11.6%) over fiscal year ended 2022 as a result of an increase in pension expense of \$8.4 million and maintenance costs of \$5.2 million.

Fiscal Year Ended 2022 Summary:

- Total operating revenues increased \$20.0 million (10.5%) over fiscal year ended 2021, driven by an increase in sewer service charges and connection fees.
- Total non-operating revenues (expenses) decreased \$23.4 million (-204.8%) over fiscal year ended 2021 as a result of a decrease in investment income of \$27.2 million due to the adjustment of investments to carrying value.
- Total net revenues decreased \$3.4 million (-1.7%) over fiscal year ended 2021.
- Total operating expenses excluding depreciation of \$92.4 million, decreased \$5.3 million (-6.7%) over fiscal year ended 2021 as a result of a decrease in pension expense of \$6.1 million.
- Total expenses decreased 5.3 million (-3.1%) over fiscal year ended 2021 as a result of a decrease in pension expense of \$6.1 million.

CLARK COUNTY WATER RECLAMATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

Capital Assets and Debt Administration

The following represents the District's investment in capital assets, net of depreciation as of June 30 for each fiscal year:

Table 3 - Capital Assets, Net of Accumulated Depreciation

	Year Ended	Year Ended	Increase		Restated	Increase	
	June 30, 2024	June 30, 2023	(Decrease)		Year Ended 6/30/2022 *	(Decrease)	
Land and rights of way	\$ 17,188,246	\$ 17,522,961	\$ (334,715)	(1.9%)	\$ 7,958,177	\$ 9,564,784	120.2%
Land improvements	6,497,732	7,411,467	(913,735)	(12.3%)	7,255,390	156,077	2.2%
Buildings and wastewater treatment facilities	488,151,780	504,586,497	(16,434,717)	(3.3%)	541,675,293	(37,088,796)	(6.8%)
Wastewater conveyance lines	1,241,198,495	1,206,812,788	34,385,707	2.8%	1,166,436,921	40,375,867	3.5%
Equipment	102,956,537	108,672,718	(5,716,181)	(5.3%)	125,945,463	(17,272,745)	(13.7%)
Subscription IT assets Infrastructure	3,713,256	4,503,879	(790,623)	(17.6%)	4,432,100	71,779	
Construction in progress	409,533,338	219,439,538	190,093,800	86.6%	144,829,725	74,609,813	51.5%
Total	<u>\$ 2,269,239,384</u>	<u>\$ 2,068,949,848</u>	<u>\$ 200,289,536</u>	9.7%	<u>\$ 1,998,533,069</u>	<u>\$ 70,416,779</u>	3.5%

* Restated for Implementation of GASB 96 in 2023.

The District's investment in capital assets as of June 30, 2024 was \$2.3 billion, net of accumulated depreciation. This represents an increase of \$200.3 million (9.7%) over the prior year. This investment in capital assets includes land, buildings, treatment facilities, wastewater conveyance lines, equipment, and construction in progress. See further analysis in Note D to the basic financial statements in this report.

Major capital asset events during fiscal year 2024 included the following:

- FWRC Chemical Storage and Feed Facility (\$20.1 million)
- Collection System Metal Pipe Replacement (\$12.9 million)
- Las Vegas Boulevard Capacity Upgrade, Sunset to Mandalay Bay (\$5.7 million)

The District's investment in capital assets as of June 30, 2023 was \$2.1 billion, net of accumulated depreciation. This represents an increase of \$70.4 million (3.5%) over the prior year. This investment in capital assets includes land, buildings, treatment facilities, wastewater conveyance lines, equipment, and construction in progress. See further analysis in Note D to the basic financial statements in this report.

Major capital asset events during fiscal year 2023 included the following:

- Las Vegas Valley Manhole & Pipe Rehabilitation (\$22.2 million)
- Collection System Rehabilitation (\$10.6 million)
- FWRC Secondary Treatment Expansion Preloading (\$9.6 million)

The District's investment in capital assets as of June 30, 2022 was \$2 billion, net of accumulated depreciation. This represents an increase of \$44.6 million (2.3%) over the prior year. This investment in capital assets includes land, buildings, treatment facilities, wastewater conveyance lines, equipment, and construction in progress. See further analysis in Note D to the basic financial statements in this report.

Major capital asset events during fiscal year 2022 included the following:

- Completion of Sandhill Interceptor (\$29.9 million)
- Completion of Spencer Street Capacity Upgrade (\$1.2 million)
- Completion of Flamingo campus Membrane and Ozone Effluent Bypass (\$1.2 million)

Long-Term Debt

The acquisition, construction and rehabilitation of the District's infrastructure and facilities required to provide services are financed from existing cash resources, State Revolving Loans, grants, and the issuance of bonds. The District's General Obligation/Revenue backed bonds constitute direct and general obligations of the District. The full faith and credit of the

CLARK COUNTY WATER RECLAMATION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

District is pledged to the payment of principal and interest thereon. Principal and interest are paid from net pledged revenues of the District and are secured by the District’s ability to access ad valorem taxes. Net pledged revenues are defined as gross revenues of the District less operation and maintenance expenses. Historically, taxes have not been relied on to support the District’s operations or debt service. No change in this practice is currently contemplated.

The District currently holds a AAA bond rating with a stable outlook from Standard and Poor’s and an Aa1 rating from Moody’s Investor Services. Neither of these ratings has changed in the past fiscal year.

The District assesses its financial plan on an annual basis. The District’s bond covenants state that rates and charges be sufficient to cover operation and maintenance costs and general expenses, which include debt service (principal and interest). Debt proceeds, connection fees and sales tax revenues are spent first when funding capital projects. The District has the following outstanding debt that was used to finance the capital projects:

	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022
State Revolving Loan - ARRA (2009C)	\$ 1,707,905	\$ 2,018,434	\$ 2,328,963
State Revolving Loan (2011A)	18,688,815	21,036,715	23,311,527
State Revolving Loan (2012A)	16,546,538	18,285,374	19,983,954
2015 Series Refunding	84,160,000	88,445,000	92,520,000
2016 Series Refunding	227,700,000	237,845,000	247,490,000
2023 Series General Obligation	340,000,000	3,400,000	-
Total	<u>\$ 688,803,258</u>	<u>\$ 371,030,523</u>	<u>\$ 385,634,444</u>

Additional information on the District’s long-term debt can be found in Note J to the basic financial statements in this report.

Economic Factors and Next Year’s Budget and Rates

The District’s FY 2023-2024 Operations and Maintenance (O&M) and Capital Budgets provide funding to support the collection, treatment, and reclamation of commercial and residential wastewater for the service area. As an industrial operation, the District continues to have larger expenses for capital infrastructure, power, and chemicals. The FY 2023-2024 budget addresses the needs of the District’s rate payers and the general public and allows the District to meet its obligations in protecting the public health and providing reliable collection and treatment systems. With continued teamwork and sound fiscal management, the District will continue to be able to plan and prepare for the future proactively, effectively, and responsibly.

The goal of the O&M budget is to maintain stellar service levels while continuing to develop a budget that better reflects actual expense activity. The rates charged by the District are among the lowest in the Western region. The District depends solely on the rates charged for almost all its income.

A community advisory committee (CAC) was convened in the summer of 2018 to determine annual sewer rates for the next 10 years. Also approved was a 2.75% annual rate increase by the Board in February 2019. This fixed our rates for the foreseeable future. On July 1, 2021, the annual sewer rate was raised to \$239.84 per ERU for fiscal year 2022, and to \$246.44 per ERU for fiscal year 2023. On July 1, 2023, the annual sewer rate was increased to \$253.20 per ERU for fiscal year 2024.

Inflation and supply chain disruptions run amok in 2023, impacting our CIP by about \$370 million, the district approached the CAC again in 2023 to request a rate increase to help offset the inflationary and supply chain pressures. The board approved the rate increase of 8.0% to \$273.48 in early 2024 to help mitigate the price pressures. The new rates take effect July 1, 2024, for FY 2025.

CLARK COUNTY WATER RECLAMATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

Contacting the District's Financial Management

This financial report is designed to provide users, including our rate payers and creditors, with a general overview of the District's finances and to demonstrate the District's financial accountability for the money it receives from its rate payers. If you have any questions about this report or need additional financial information, contact the Clark County Water Reclamation District, Attention: Charles Ocansey, Deputy General Manager and CFO, 5857 E. Flamingo Road, Las Vegas, NV 89122. E-mail: cocansey@cleanwaterteam.com, Telephone: (702) 668-8119.



Placing a layer of grout at the primary clarifier hydraulic structure



***Basic Financial
Statements***

The
"Clean
Water Team"

Clark County Water Reclamation District
Statements of Net Position
June 30, 2024 and 2023

Assets	2024	2023
Current Assets:		
Cash and cash equivalents	\$ 85,543,866	\$ 65,326,490
Accounts receivable, net of allowance for doubtful accounts of \$106,883 and \$106,883	11,310,006	10,778,026
Note receivable, current portion	601,642	534,231
Supply inventories	3,816,944	3,387,077
Interest receivable	4,119,777	2,353,085
Investments	570,838,389	460,123,647
Prepaid items	2,275,347	1,782,138
Total Unrestricted Current Assets	678,505,971	544,284,694
Restricted Current Assets:		
Cash and cash equivalents	195,161,258	28,964,072
Sales tax receivable	4,913,261	4,863,779
Total Restricted Current Assets	200,074,519	33,827,851
Total Current Assets	878,580,490	578,112,545
Non-Current Assets		
Capital Assets:		
Property, plant and equipment	3,464,412,238	3,366,300,874
Less accumulated depreciation	1,621,894,438	1,534,313,525
	1,842,517,800	1,831,987,349
Land and rights of way	17,188,246	17,522,961
Construction in progress	409,533,338	219,439,538
Total Capital Assets, Net	2,269,239,384	2,068,949,848
Note receivable, net of current portion	5,121,116	5,606,635
Total Non-Current Assets	2,274,360,500	2,074,556,483
Total Assets	3,152,940,990	2,652,669,028
Deferred Outflows of Resources:		
Deferred loss on bond refunding	27,927,530	29,922,362
Deferred amounts related to OPEB	9,071,662	9,854,324
Deferred amounts related to pension plan	25,300,063	29,009,286
Total Deferred Outflows of Resources	62,299,255	68,785,972

See accompanying notes to the basic financial statements

Clark County Water Reclamation District
Statements of Net Position (continued)
June 30, 2024 and 2023

Liabilities	2024	2023
Current Liabilities:		
Payable from Unrestricted Assets		
Accounts payable	\$ 3,626,556	\$ 3,824,241
Construction contracts payable	36,095,833	22,178,873
Accrued expenses	2,131,038	1,945,781
Accumulated compensated absences	1,096,097	948,282
Current portion of subscription liabilities	1,053,383	1,212,847
Other liabilities	7,371,367	7,050,354
Total Payable from Unrestricted Assets	51,374,274	37,160,378
Payable from Restricted Assets		
Accrued debt interest payable	15,025,438	6,913,643
Current maturities of debt payable	24,638,913	18,827,266
Total Payable from Restricted Assets	39,664,351	25,740,909
Total Current Liabilities	91,038,625	62,901,287
Non-Current Liabilities:		
Long-term portion of accumulated compensated absences	6,649,116	6,544,806
Subscription liabilities, net of current portion	2,268,289	3,062,215
Accrued other post employment benefits	26,781,728	26,209,366
Net pension liability	77,406,001	79,107,207
Debt payable, net of current maturities	722,523,641	375,546,769
Total Non-Current Liabilities	835,628,775	490,470,363
Total Liabilities	926,667,400	553,371,650
Deferred Inflows of Resources:		
Deferred amounts related to OPEB	19,222,061	21,523,027
Deferred amounts related to pension plan	3,266,001	1,501,523
Total Deferred Inflows of Resources	22,488,062	23,024,550
Net Position:		
Net investment in capital assets	1,510,586,855	1,678,044,240
Restricted:		
Debt service	180,135,820	22,050,429
Capital projects	4,913,261	4,863,779
Unrestricted	570,448,847	440,100,352
Total Net Position	\$ 2,266,084,783	\$ 2,145,058,800

See accompanying notes to the basic financial statements

Clark County Water Reclamation District
Statements of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2024 and 2023

	2024	2023
Operating Revenues		
Sewer service charges	\$ 189,798,718	\$ 181,277,137
Connection fee revenue, net of refunds and allowances of \$314,817 and \$72,201	31,833,101	26,648,512
Reclaimed water sales	490,425	438,932
Pretreatment fees	443,956	422,725
Septage fees	1,034,281	593,310
Other	1,325,600	191,239
Total Operating Revenues	<u>224,926,081</u>	<u>209,571,855</u>
Operating Expenses		
Salaries	32,066,668	29,633,055
Benefits	18,004,587	14,145,072
Utilities	14,043,836	11,619,289
Outside services	11,371,373	10,955,237
Chemicals	9,303,873	8,726,810
Maintenance	10,200,236	10,846,715
Other expenses	4,518,229	3,502,701
Supplies	5,760,452	5,282,949
Other losses	3,214,553	534,582
Depreciation	91,619,169	92,164,360
Total Operating Expenses	<u>200,102,976</u>	<u>187,410,770</u>
Income From Operations	24,823,105	22,161,085
Non-Operating Revenues (Expenses):		
Investment income	45,582,652	4,422,156
Restricted investment income (loss)	533,939	(49,924)
Sales tax apportionment	29,401,139	28,525,841
Interest expense	(28,295,028)	(13,011,974)
Other non-operating revenue, net	130,773	67,579
Total Non-Operating Revenues (Expenses)	<u>47,353,475</u>	<u>19,953,678</u>
Income Before Capital Contributions	72,176,580	42,114,763
Capital Contributions		
Contributed assets	<u>48,849,403</u>	<u>37,760,747</u>
Change in Net Position	121,025,983	79,875,510
Net Position, Beginning of the Year	2,145,058,800	2,065,183,290
Net Position, End of Year	<u>\$2,266,084,783</u>	<u>\$2,145,058,800</u>

See accompanying notes to the basic financial statements

Clark County Water Reclamation District
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities:		
Cash flows from customers	\$ 224,812,209	\$ 207,519,683
Cash received from others	130,773	67,579
Payments to employees	(46,992,577)	(42,387,551)
Payments for services and supplies	(55,422,545)	(50,230,861)
Net Cash Provided by Operating Activities	<u>122,527,860</u>	<u>114,968,850</u>
Cash Flows from Capital and Related Financing Activities:		
Sales tax apportionment - restricted to capital expenditure by statute	29,351,657	28,478,281
Acquisition, construction or improvement of capital assets	(231,562,680)	(113,253,538)
Principal payments on subscription liabilities	(2,137,550)	(1,209,667)
Principal payments on debt for capital assets	(18,827,266)	(18,003,921)
Proceeds from debt for capital assets	375,263,941	3,400,000
Interest payments on debt for capital assets	(21,836,557)	(14,299,803)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>130,251,545</u>	<u>(114,888,648)</u>
Cash Flows from Investing Activities:		
Proceeds from sale of investments	225,733,705	144,733,153
Interest on investments	29,716,124	10,672,200
Purchases of investments	(321,814,672)	(115,773,045)
Net Cash Provided by (Used in) Investing Activities	<u>(66,364,843)</u>	<u>39,632,308</u>
Net increase in cash and cash equivalents	186,414,562	39,712,510
Cash and cash equivalents, beginning of year	94,290,562	54,578,052
Cash and cash equivalents, end of year	<u>\$ 280,705,124</u>	<u>\$ 94,290,562</u>
Cash and Cash Equivalent Balances:		
Unrestricted cash and cash equivalents	85,543,866	65,326,490
Restricted cash and cash equivalents	195,161,258	28,964,072
Cash and Cash Equivalents, End of Year	<u>\$ 280,705,124</u>	<u>\$ 94,290,562</u>

See accompanying notes to the basic financial statements

Clark County Water Reclamation District
Statement of Cash Flows (continued)
For the Fiscal Years Ended June 30, 2024 and 2023

	2024	2023
Reconciliation of Income from Operations to Net Cash Provided		
by Operating Activities:		
Income from operations	\$ 24,823,105	\$ 22,161,085
Adjustments:		
Depreciation	91,619,169	92,164,360
Loss on capital asset disposal	3,797,207	856,533
Other non-operating revenues, net	130,773	67,579
(Increase) in receivables	(113,872)	(2,052,172)
(Increase) in supply inventories	(429,867)	(294,234)
(Increase) decrease in prepaid items	(685,918)	379,699
Decrease (increase) in deferred outflows of resources for pensions	3,709,223	(6,949,006)
Decrease (increase) in deferred inflows of resources for pensions	1,764,478	(31,441,831)
(Decrease) increase in net pension liability	(1,701,206)	41,394,415
Increase (decrease) in deferred outflows of resources for OPEB	782,662	(3,586,466)
(Decrease) increase in deferred inflows of resources for OPEB	(2,300,966)	2,193,299
Increase (decrease) in post employment benefits	572,362	(427,094)
Increase (decrease) in accounts payable and accrued expenses	239,697	(741,273)
Increase in other liabilities	321,013	1,243,956
Net Cash Provided by Operating Activities	\$ 122,527,860	\$ 114,968,850
Non Cash Investing and Capital and Related Financing Activities:		
Contributed assets	\$ 48,849,403	\$ 37,760,747
Adjustment of investments to carrying value	14,633,775	(6,810,540)
Subscription assets	(1,376,869)	(1,288,091)
Subscription liabilities	1,184,160	1,256,981

See accompanying notes to the basic financial statements

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

I. Summary of Significant Accounting Policies

The accounting policies of the Clark County Water Reclamation District (the District) conform to generally accepted accounting principles (GAAP) in the United States of America as applicable to governments and 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.

A. Financial Reporting Entity

GASB Statement No. 61, The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14, The Financial Reporting Entity and No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, defines the financial reporting entity as the primary government and organizations for which the primary government is financially accountable. The District provides sewer services to the public for a fee, is fiscally independent of the County, and is a self-supporting entity. The District also receives separate Board approval for these financial statements and files them separately with the State of Nevada Department of Taxation; therefore, the District is the financial reporting entity.

Financial accountability is defined as: the appointment of a voting majority of a legally separate organization's governing body by the primary government and either the primary government can impose its will on that organization or the possibility that the organization will provide a financial benefit to or impose a financial burden on the primary government. If either of these (or both) are true, then the legally separate organization is reported as a component unit of the primary government.

Since the Clark County (the County) Board of County Commissioners is the ex officio Board of Trustees of the District, the County has the ability to influence and control operations of the District by approving budgets, setting sewer rates and connection fees, and issuing bond debt. The County reports the District as a component unit and the financial statements of the District have been included in the County's Annual Comprehensive Financial Report (Annual Report). No entities were determined to be component units of the District.

B. 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 refers to what is being expressed in reporting an entity's financial performance and position. Two standards of measurement focus can be used: the flow of current financial resources, where the focus is on cash and/or assets that are expected to be converted to cash within the accounting period, and long-term capital assets and liabilities are not reported; and the flow of economic resources, where all assets available to the entity are measured, long-term assets and liabilities are reported, and depreciation is recorded as a cost of operations. The District uses the economic resources measurement focus.

The basis of accounting refers to when the effects of transactions or events should be recognized for financial reporting purposes. Effects can be recognized on either an accrual basis – when the transactions or events have taken place, or on the cash basis – when cash is received or paid. The District uses the accrual basis of accounting. Under this basis of accounting, all assets and liabilities associated with District operations are included on the Statement of Net Position. Revenues are recognized as soon as they are both measurable and earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

C. Definition of Operating and Non-Operating Revenues and Expenses

The District considers revenues earned through user charges and connection fees to be operating revenues. Expenses associated with operating and maintaining the physical facilities, billing, and collecting user charges and fees, and related administrative roles (executive management, information technology, human resources, finance, etc.) are considered operating expenses.

Revenues earned from sales taxes, capital and investing activities are considered non-operating revenue and are used to fund the District's Capital Improvement Program.

D. Budgetary Information

1. Budgetary Basis of Accounting

Prior to April 15, the County Manager submits to the Nevada State Department of Taxation the tentative budget for the next fiscal year, commencing on July 1. The budget, as submitted, contains the proposed expenses and means of financing them. The Nevada State Department of Taxation notifies the County of its acceptance of the budget. A special public hearing is set, per Nevada Revised Statute (NRS), for the third Monday in May. After all changes have been noted and hearings closed, the Board of County Commissioners, ex officio Board of Trustees for the District, adopts the budget on or before June 1. The County reports the District as a component unit of the County and the District's annual budget is included in the County's annual budget. Increases to the budget (augmentations) are accomplished through a letter of adjustment submitted to the County Budget Director, to be included in the next quarterly economic condition survey. This process is revenue driven; therefore, total expenses cannot be increased without additional previously unbudgeted resources being clearly identified. The letter must be filed prior to fiscal year end. The NRS requires budget controls to be exercised at the function level. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. All operating appropriations lapse at the end of the fiscal year. Budgets are adopted on a basis consistent with GAAP.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

The District's cash and cash equivalents (defined as assets that can be readily converted to cash) are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Inventories and Prepaid Items

Supply inventories consist primarily of materials and supplies and are valued at average cost. Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items. The District uses the consumption method, where inventories and prepaid items are originally recorded as assets, and then expensed in the periods they are consumed.

3. Investments

The District's formal investment policy is designed to ensure conformity with NRS 355 and to limit exposure to investment risks. When investing monies, the Clark County Treasurer, ex officio Treasurer of the District, is required to be in conformity with NRS 355 and written policies adopted by the Board of County Commissioners dictate allowable investments and the safeguarding of those investments. The District's investments are held in the District's name and are reported at fair value regardless of the length of time remaining to maturity. Investment revenue is increased or decreased in relation to this adjustment for unrealized gains or losses.

CLARK COUNTY WATER RECLAMATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

4. Capital Assets

The Capital Improvement and Capital Expansion plans are projected for a minimum of a five-year period. The District’s five-year Capital Improvement Plan and Debt Management Policy along with a statement of current and contemplated debt (Indebtedness Report) are submitted to the Nevada State Department of Taxation and the Clark County Debt Management Commission annually in accordance with NRS 350.013(1)(c). Capital acquisitions are recorded at historical cost. Labor and supporting benefit costs expenses to support capital projects may be capitalized as part of the project cost. Capital assets with an infinite useful life, such as land, are not depreciated. Equipment with a historical cost of less than \$5,000 is not capitalized. The cost of normal maintenance and repairs of District assets that does not increase the functionality of an asset or materially extend the asset’s life are not capitalized. Betterments that extend the useful life of assets are capitalized and depreciated over the remaining useful lives of the related assets, as applicable. Contributed capital, generally wastewater conveyance lines constructed by private contractors and turned over to the District to maintain, is valued at its estimated acquisition cost on the date donated.

District assets including infrastructure and wastewater conveyance lines are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Classifications	Lives (in years)
Buildings	10-50
Land Improvements	10-20
Machinery and Equipment	1-10
Vehicles	5-10
Wastewater Conveyance Lines	50

5. Subscription-Based Information Technology Arrangements

The District is party to various subscription-based information technology arrangements (SBITAs). The District recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the financial statements. The District reports SBITA current expenditures in the Statement of Revenues, Expenses, and Changes in Net Position.¹ The District recognizes subscription liabilities with an initial term greater than twelve months. Remaining subscription terms range from 5 months to 9 years with fixed payments due quarterly and annually. For SBITAs with a maximum possible term of 12 months or less at commencement, the District recognizes expenses based on the provisions of the arrangement.

At the commencement of a SBITA, the District initially measures the subscription liability at the present value of expected subscription payments to be made over the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial measurement of the subscription liability, adjusted for payments associated with the SBITA contract made to the vendor at the commencement of the subscription term, plus any capitalizable initial implementation costs, less any vendor incentives received at the commencement of the subscription term. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the useful life of the IT asset or subscription term.

Key estimates and judgments related to SBITAs include how the District determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) the subscription term, and (3) subscription payments.

The District uses the DebtBook IBR Template to calculate the incremental borrowing rate as the discount rate. The subscription term includes the noncancellable period during which the District has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend if reasonably certain the District or vendor will exercise that option or to terminate if it is reasonably certain that the District or vendor will not

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

exercise that option. Subscription payments included in the measurement of the subscription liability are composed of fixed payments.

The District monitors changes in circumstances that would require a remeasurement of a SBITA and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term obligations on the statement of net position.

The District capitalizes qualifying initial implementation costs of \$35,000 or more as part of the subscription asset. Preliminary project stage outlays are expensed as included. Operation and additional implementation stage activities are expensed as incurred unless they meet specific capitalization criteria.

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. For this reporting period, the District has three items in this category. The first is the deferred loss on bond refunding. The loss is deferred and amortized over the life of the bonds. The second is the deferred amounts related to the pension plan. This amount is deferred and amortized over the average expected remaining service life of all employees that are provided with pension benefits. The third is the deferred amounts related to the other post-employment benefits (OPEB) plan. This amount is deferred and amortized over the average expected remaining service life of all employees that are provided with OPEB.

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For this reporting period, the District has several items that qualify for reporting in this category, relating to pensions and OPEB: 1) the differences between expected and actual experience and changes of assumptions, which are deferred and amortized over the average expected remaining service life, of all employees that are provided with pension and OPEB benefits, 2) the net difference between projected and actual earnings on investments, which are deferred and amortized over five years, and 3) contributions made subsequent to the measurement date, which are deferred for one year.

7. Net Position Flow Assumption

In the current reporting period, net position represents the difference between assets and liabilities, and deferred inflows and outflows in the following categories: net investment in capital assets, restricted and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by any outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets, and adjusted by any deferred loss or gain on bond refunding. Restricted net position is reported when limitations are imposed on their use through external restrictions imposed by creditors, grantors or laws and regulations of the State or Federal governments. Unrestricted net position are essentially all resources not included in the other components and can be used for any purpose. To calculate the amounts to report as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's practice to consider restricted net position to have been depleted before unrestricted net position is applied. Funds set aside for payment of bond principal and interest are classified as restricted, due to debt service requirements. The unspent portion of bond proceeds, if any, are classified as restricted to payment of capital expenses per bond resolutions. Amounts accrued for sales tax receipts not received at year end are classified as restricted in accordance with Nevada statutes or NRS. Funds received during the year are used for capital expenses.

CLARK COUNTY WATER RECLAMATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

F. Revenues and Expenses

1. Revenues/Tax Roll

Sewer services are billed in advance on July 1 for the upcoming fiscal year ending June 30. In accordance with NRS 318.201, Procedure for Collection of Service Charges on Tax Roll, the District may elect to have accounts receivable that are delinquent collected on the Clark County tax roll. For fiscal years ended 2024 and 2023, \$8,098,183 and \$7,544,080 of the delinquent accounts receivable were placed on the tax roll respectively. As of June 30, 2024, the outstanding tax roll balance, which includes all previous years, totaled \$8,452,783.

2. Compensated Absences

The District’s policy permits employees to accumulate earned but unused vacation and sick leave benefits, which are eligible for payment upon separation from the District. Such benefits are accrued when incurred.

3. Pensions

The District uses the same basis used in the Public Employees’ Retirement System of Nevada’s (PERS) Annual Comprehensive Financial Report, for reporting its proportionate share of the PERS collective net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, including information related PERS fiduciary net position and related additions/deductions. Benefit payments (including refunds of employee contributions) are recognized by PERS when due and payable in accordance with the benefit terms. PERS investments are reported at fair value.

II. Detailed Note Disclosures

A. Cash and Cash Equivalents

<u>Cash and Cash Equivalents</u>	Balance as of June 30, 2024	Balance as of June 30, 2023
Book Balance – Cash	\$ 20,635,686	\$ 12,993,862
Money Market Funds	64,908,180	52,332,628
Total Reported Cash and Cash Equivalents	<u>\$ 85,543,866</u>	<u>\$ 65,326,490</u>
Bank Balance – Cash	\$ 21,637,175	\$ 14,295,304

The bank balance is fully insured or collateralized by the Office of the State Treasurer’s Nevada Collateral Pool. This program serves as an alternative method to allow local government agencies within the state to participate in pooled collateralization of their deposits in an efficient, cost effective and safe manner when collateralizing public funds. The State Treasurer manages and monitors all collateral for all public deposits.

Semiannually, the District transfers funds to the Clark County Treasurer for principal and interest payments on the District’s debt service. At June 30, 2024, and June 30, 2023, there was \$43,231,399 and \$28,964,072 held by the Clark County Treasurer on our behalf, respectively. These funds are considered restricted on the statement of net position.

CLARK COUNTY WATER RECLAMATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

B. Investments

The Clark County Treasurer, as ex officio Treasurer for the District, performs the District’s investment function as outlined in an inter-local agreement. Per the County investment policy, the types of investments utilized for the District’s portfolio are various federal agency securities, commercial paper, certificates of deposit, and money market funds. Nevada Revised Statute 682A-Investments, authorizes the County Treasurer to invest in obligations of the U.S. Treasury and U.S. agencies having maturity dates that do not extend more than 10 years from the date of purchase, negotiable notes or short term negotiable bonds issued by other local governments in the State of Nevada and bankers acceptances not exceeding 180 days maturity and eligible by law for rediscount with the Federal Reserve Banks (purchases are subject to 10% of the funds available for local government investment). All District investments have maturity dates that do not extend more than 10 years from the date of purchase. Certain bond covenants require the County and its component units to invest with security dealers who are primary dealers when investing in repurchase agreements. Primary dealers are dealers that submit daily reports of market and positions and monthly financial statements to the Federal Reserve of New York and are subject to its formal oversight. Securities purchased by the County and its component units are delivered against payment and held in a custodial safekeeping account with the trust department of a bank designated by the County.

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 fair value hierarchy are as follows:

- Level 1. Inputs are unadjusted quoted prices for identical assets and 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 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.

At year end, the District’s Level 1 investments (comprised of U.S. Treasury obligations) were valued based on quoted market prices provided by recognized broker dealers and Level 2 investments (comprised of U.S. Agency obligations, Money Market Funds, Corporate Notes, and Asset-Backed Securities) were valued, by recognized broker dealers, based on a matrix pricing model that maximizes the use of observable inputs for similar securities.

At June 30, 2024, the fair values of the District’s investments were categorized by fair value level as follows:

Investment Type	Investments by Fair Value Level			Total
	Level 1	Level 2	Level 3	
U.S. Treasuries	\$ 265,594,500	\$ -	\$ -	\$ 265,594,500
U.S. Agency Obligations	-	175,749,134	-	175,749,134
Corporate Notes	-	109,860,085	-	109,860,085
Asset-Backed Securities	-	19,634,670	-	19,634,670
Reported as Investments	265,594,500	305,243,889	-	570,838,389
Commercial Paper	-	24,580,750	-	24,580,750
Certificates of Deposit	-	15,013,650	-	15,013,650
Money Market Funds	-	25,313,780	-	25,313,780
Reported as Cash Equivalents	-	64,908,180	-	64,908,180
Total Investments	\$ 265,594,500	\$ 370,152,069	\$ -	\$ 635,746,569

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

At June 30, 2023, the fair values of the District’s investments were categorized by fair value level as follows:

Investment Type	Investments by Fair Value Level			Total
	Level 1	Level 2	Level 3	
U.S. Treasuries	\$ 244,275,225	\$ -	\$ -	\$ 244,275,225
U.S. Agency Obligations	-	148,247,418	-	148,247,418
Corporate Notes	-	48,633,094	-	48,633,094
Asset-Backed Securities	-	18,967,910	-	18,967,910
Reported as Investments	244,275,225	215,848,422	-	460,123,647
Commercial Paper	-	23,267,115	-	23,267,115
Certificates of Deposit	-	14,994,450	-	14,994,450
Money Market Funds	-	14,071,063	-	14,071,063
Reported as Cash Equivalents	-	52,332,628	-	52,332,628
Total Investments	\$ 244,275,225	\$ 268,181,050	\$ -	\$ 512,456,275

Credit Risk

Credit risk is defined as the risk that another party to a deposit or investment transaction (counterparty) will fail to fulfill its obligation. Credit risk can be associated with the issuer of a security, with a financial institution holding deposits or with a party holding securities or collateral. Credit risk exposure can be affected by a concentration of deposits or investments into a single investment type or with any single counterparty.

At June 30, 2024, the District had the following investments (rating is based on Moody’s index):

Investments	Reported Amount/ Fair Value	US Government Obligations	Moody's Rating									
			Aaa	Aa1	Aa2	Aa3	A1	A2	A3	P-1	NR	
U.S. Treasuries	\$ 265,594,500	\$265,594,500	\$240,631,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,963,500	\$ -
U.S. Agency Obligations	175,749,134	175,749,134	144,369,414	-	-	-	-	-	-	-	31,379,720	-
Corporate Notes	109,860,085	-	2,294,733	14,043,120	29,600,550	5,025,300	30,202,182	13,926,100	14,768,100	-	-	-
Mortgage/ Asset-Backed Securities	19,634,670	-	-	-	-	-	-	-	-	-	-	19,634,670
Reported as Investments	570,838,389	441,343,634	387,295,147	14,043,120	29,600,550	5,025,300	30,202,182	13,926,100	14,768,100	56,343,220	19,634,670	
Commercial Paper	24,580,750	-	-	-	-	-	-	-	-	24,580,750	-	-
Certificates of Deposit	15,013,650	-	-	-	-	-	-	-	-	15,013,650	-	-
Money Market Funds	25,313,780	-	25,313,780	-	-	-	-	-	-	-	-	-
Reported as Cash Equivalents	64,908,180	-	25,313,780	-	-	-	-	-	-	39,594,400	-	-
Total Investments	\$ 635,746,569	\$441,343,634	\$412,608,927	\$14,043,120	\$ 29,600,550	\$ 5,025,300	\$30,202,182	\$13,926,100	\$14,768,100	\$ 95,937,620	\$ 19,634,670	

At June 30, 2023, the District had the following investments (rating is based on Moody’s index):

Investments	Reported Amount/ Fair Value	US Government Obligations	Moody's Rating					
			Aaa	Aa2	A1	A2	P-1	NR
U.S. Treasuries	\$ 244,275,225	\$244,275,225	\$220,131,700	\$ -	\$ -	\$ -	\$24,143,525	\$ -
U.S. Agency Obligations	148,247,418	148,247,418	148,247,418	-	-	-	-	-
Corporate Notes	48,633,094	-	7,215,744	4,464,150	4,909,650	32,043,550	-	-
Mortgage/ Asset-Backed Securities	18,967,910	-	-	-	-	-	-	18,967,910
Reported as Investments	460,123,647	392,522,643	375,594,862	4,464,150	4,909,650	32,043,550	24,143,525	18,967,910
Commercial Paper	23,267,115	-	-	-	-	-	23,267,115	-
Certificates of Deposit	14,994,450	-	-	-	-	-	14,994,450	-
Money Market Funds	14,071,063	-	14,071,063	-	-	-	-	-
Reported as Cash Equivalents	52,332,628	-	14,071,063	-	-	-	38,261,565	-
Total Investments	\$ 512,456,275	\$392,522,643	\$389,665,925	\$4,464,150	\$4,909,650	\$32,043,550	\$62,405,090	\$18,967,910

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the County’s Investment policy, \$635,746,569 was held on behalf of the District in 2024 and \$512,456,275 in 2023. Securities purchased by the County are delivered against payments and held in a custodial safekeeping account within the trust department of Wells Fargo Bank.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

Concentration of Credit Risk

The District places no limits on the amount that can be invested in any one issuer beyond that stipulated by the NRS. Investments in any one issuer that represent 5% or more of the District's total investments at June 30 were as follows:

Issuer	Investment Type	Reported Amount/ Fair Value	% of Total	Reported Amount/ Fair Value	% of Total
		June 30, 2024	June 30, 2024	June 30, 2023	June 30, 2023
U.S. Treasury Notes	Treasury Note	\$ 220,823,200	34.7%	\$ 244,275,225	47.7%
Federal Home Loan Bank (FHLB)	U.S. Agencies	114,810,368	18.1%	68,874,230	13.4%
Federal Farm Credit Bank (FFCB)	U.S. Agencies	42,008,866	6.6%	61,032,088	11.9%
Totals		<u>\$ 377,642,434</u>		<u>\$ 374,181,543</u>	

Interest Rate Risk

Interest rate risk is defined as the risk that the fair value of an investment will be adversely affected by changes in market interest rates. Through its investment policy, the County Treasurer's office manages its exposure to fair value losses arising from increasing rates by limiting the average weighted duration of its investment pool portfolio to less than 2.5 years. This strategy also provides the cash flow and liquidity needed for operations.

At June 30, 2024, the fair values of the District's investments were categorized by segmented time distribution by maturity as follows:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1 to 3	3 to 5	Greater than 5
U.S. Treasuries	\$ 265,594,500	\$ 117,910,300	\$ 85,134,200	\$ 62,550,000	\$ -
U.S. Agency Obligations	175,749,134	77,568,130	72,465,004	9,293,200	16,422,800
Corporate Notes	109,860,085	14,768,100	92,797,252	2,294,733	-
Asset-Backed Securities	19,634,670	-	9,823,770	9,810,900	-
Reported as Investments	570,838,389	210,246,530	260,220,226	83,948,833	16,422,800
Commercial Paper	24,580,750	24,580,750	-	-	-
Money Market Funds	25,313,780	25,313,780	-	-	-
Certificates of Deposit	15,013,650	15,013,650	-	-	-
Reported as Cash Equivalents	64,908,180	64,908,180	-	-	-
Total Investments	<u>\$ 635,746,569</u>	<u>\$ 275,154,710</u>	<u>\$ 260,220,226</u>	<u>\$ 83,948,833</u>	<u>\$ 16,422,800</u>

At June 30, 2023, the fair values of the District's investments were categorized by segmented time distribution as follows:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1 to 3	3 to 5	Greater than 5
U.S. Treasuries	\$ 244,275,225	\$ 82,505,925	\$ 126,117,300	\$ 35,652,000	\$ -
U.S. Agency Obligations	148,247,418	19,881,800	81,053,728	31,155,090	16,156,800
Corporate Notes	48,633,094	9,839,700	27,466,450	11,326,944	-
Asset-Backed Securities	18,967,910	-	-	18,967,910	-
Reported as Investments	460,123,647	112,227,425	234,637,478	97,101,944	16,156,800
Commercial Paper	23,267,115	23,267,115	-	-	-
Money Market Funds	14,071,063	14,071,063	-	-	-
Certificates of Deposit	14,994,450	14,994,450	-	-	-
Reported as Cash Equivalents	52,332,628	52,332,628	-	-	-
Total Investments	<u>\$ 512,456,275</u>	<u>\$ 164,560,053</u>	<u>\$ 234,637,478</u>	<u>\$ 97,101,944</u>	<u>\$ 16,156,800</u>

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

C. Restricted Current Assets

The District's bond fund maintains periodic deposits sufficient to provide for payments of principal and interest on debt, as such obligations mature, per NRS 350.660. The bond fund is required by the various bond covenants. Any unspent bond proceeds are restricted to payment of capital expenses per bond resolutions, and at this time, all bond proceeds have been spent.

Sales tax revenue, ¼ of 1% sales tax allocation, is restricted by statute to capital expenses for the expansion of existing plant infrastructure. The District received \$29,401,139 million in sales tax revenue during fiscal year 2024 and \$28,525,841 million during fiscal year 2023. Sales tax receivable is identified as a restricted current asset.

D. Capital Assets

Capital Assets are summarized as follows at June 30, 2024:

	Beginning Balance June 30, 2023	Increases	Decreases	Ending Balance June 30, 2024
Capital Assets, Being Depreciated:				
Buildings and wastewater treatment facilities	\$ 1,315,363,182	\$ 21,077,992	\$ (4,492,940)	\$ 1,331,948,234
Land improvements	15,085,902			15,085,902
Wastewater conveyance lines	1,636,485,439	68,623,007	(93,174)	1,705,015,272
Equipment	392,614,707	14,868,959	(2,561,063)	404,922,603
Subscription IT assets	6,751,644	1,376,869	(688,286)	7,440,227
Total Capital Assets Being Depreciated	<u>3,366,300,874</u>	<u>105,946,827</u>	<u>(7,835,463)</u>	<u>3,464,412,238</u>
Less Accumulated Depreciation for:				
Buildings and wastewater treatment facilities	(810,776,685)	(35,103,035)	2,083,266	(843,796,454)
Land improvements	(7,674,435)	(913,735)		(8,588,170)
Wastewater conveyance lines	(429,672,651)	(34,174,423)	30,297	(463,816,777)
Equipment	(283,941,989)	(19,691,956)	1,667,879	(301,966,066)
Subscription IT assets	(2,247,765)	(1,736,020)	256,814	(3,726,971)
Total Accumulated Depreciation	<u>(1,534,313,525)</u>	<u>(91,619,169)</u>	<u>4,038,256</u>	<u>(1,621,894,438)</u>
Net Capital Assets Being Depreciated	<u>1,831,987,349</u>	<u>14,327,658</u>	<u>(3,797,207)</u>	<u>1,842,517,800</u>
Capital Assets Not Being Depreciated:				
Land and rights of way	17,522,961		(334,715)	17,188,246
Construction in progress	219,439,538	236,708,785	(46,614,985)	409,533,338
Total Capital Assets, Not Being Depreciated	<u>236,962,499</u>	<u>236,708,785</u>	<u>(46,949,700)</u>	<u>426,721,584</u>
Total Capital Assets, Net	<u>\$ 2,068,949,848</u>	<u>\$ 251,036,443</u>	<u>\$ (50,746,907)</u>	<u>\$ 2,269,239,384</u>

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

Capital Assets are summarized as follows at June 30, 2023:

	Restated Beginning Balance June 30, 2022	Increases	Decreases	Ending Balance June 30, 2023
Capital Assets, Being Depreciated:				
Buildings and wastewater treatment facilities	\$ 1,325,922,842	\$ 30,497	\$ (10,590,157)	\$ 1,315,363,182
Land improvements	13,985,327	1,100,575	-	15,085,902
Wastewater conveyance lines	1,563,232,703	73,398,343	(145,607)	1,636,485,439
Equipment	391,170,413	3,445,569	(2,001,275)	392,614,707
Subscription IT assets	5,471,709	1,288,091	(8,156)	6,751,644
Total Capital Assets Being Depreciated	<u>3,299,782,994</u>	<u>79,263,075</u>	<u>(12,745,195)</u>	<u>3,366,300,874</u>
Less Accumulated Depreciation for:				
Buildings and wastewater treatment facilities	(784,247,549)	(36,642,520)	10,113,384	(810,776,685)
Land improvements	(6,729,937)	(944,498)	-	(7,674,435)
Wastewater conveyance lines	(396,795,782)	(32,909,379)	32,510	(429,672,651)
Equipment	(265,224,950)	(20,451,651)	1,734,612	(283,941,989)
Subscription IT assets	(1,039,609)	(1,216,312)	8,156	(2,247,765)
Total Accumulated Depreciation	<u>(1,454,037,827)</u>	<u>(92,164,360)</u>	<u>11,888,662</u>	<u>(1,534,313,525)</u>
Net Capital Assets Being Depreciated	<u>1,845,745,167</u>	<u>(12,901,285)</u>	<u>(856,533)</u>	<u>1,831,987,349</u>
Capital Assets Not Being Depreciated:				
Land and rights of way	7,958,177	9,564,784	-	17,522,961
Construction in progress	144,829,725	119,371,139	(44,761,326)	219,439,538
Total Capital Assets, Not Being Depreciated	<u>152,787,902</u>	<u>128,935,923</u>	<u>(44,761,326)</u>	<u>236,962,499</u>
Total Capital Assets, Net	<u>\$ 1,998,533,069</u>	<u>\$ 116,034,638</u>	<u>\$ (45,617,859)</u>	<u>\$ 2,068,949,848</u>

E. Note Receivable

On January 19, 2010, the District entered into an agreement with the United States Air Force (USAF) for the purpose of connecting the Creech Air Force Base (CAFB) sewer system to the District's collection and treatment system. As agreed, the District is responsible for sewage collection and treatment for the community of Indian Springs. Compensation due to the District consists of two components: a sewer service charge and an initial service charge. On September 1, 2013 the District began receiving sewage flows from the CAFB sewer system. The initial service charge recovers the capital costs of \$9.4 million associated with the design and construction of the CAFB facilities as well as the capital recovery for 0.25 million gallons per day of capacity and is to be repaid monthly over a twenty-year term at an annual interest rate of 5.42% beginning September 1, 2013, as a note receivable.

The note receivable as of June 30 was as follows:

	2024	2023
Note receivable, net of current portion	\$ 5,121,116	\$ 5,606,635
Note receivable, current portion	601,642	534,231
Total Note receivable	<u>\$ 5,722,758</u>	<u>\$ 6,140,866</u>

As of June 30, 2024, and June 30, 2023, accrued interest recorded on the receivable was \$78,240 and \$55,305 respectively.

CLARK COUNTY WATER RECLAMATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

F. Construction Commitments

As of June 30, 2024, the remaining obligated balance of construction contracts in progress was \$537,583,156.

Construction contracts payable were as follows at June 30:

	2024	2023
Construction contracts retention	\$ 11,655,850	\$ 7,111,429
Construction contracts payable	24,439,983	15,067,444
Total construction payables	<u>\$ 36,095,833</u>	<u>\$ 22,178,873</u>

G. Risk Management and Worker's Compensation Coverage - Self-Funded Program

The District is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains a risk management program to assess coverage of potential risks of loss.

Under this program, the District believes it is more economical to manage risks internally regarding its workers' compensation coverage. The District hires a third-party to act as claims administrator of the worker's compensation program. The self-insurance coverage includes the purchase of an insurance policy to cover workers' compensation claims for the District that exceed \$750,000 per person. As of June 30, 2024, a liability of \$2,324,475 was accrued to provide for unpaid claims. The accrued liability represents the approximate maximum number of claims expected for the year. For the last four fiscal years, no settlement amounts have exceeded insurance coverage.

Changes in the District's claims liability amount in fiscal years 2024, 2023 and 2022 are as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Claims Incurred During Period	Prior Period Changes in Estimates	Current Year Payments on Claims	End of Fiscal Year Liability
2024	\$ 2,294,543	\$ 349,394	\$ 5,248	\$ (324,710)	\$ 2,324,475
2023	2,379,504	309,394	(126,431)	(267,924)	2,294,543
2022	2,369,888	416,741	(283,193)	(123,932)	2,379,504

The District has designated and set aside \$382,184 in its investment balances at June 30, 2024, and June 30, 2023, respectively for future workers' compensation losses. The District provides a surety bond to the Nevada Department of Insurance (NDI) in the amount of \$352,000.

For all other risks, such as general, automobile, and excess liabilities the District purchases insurance coverage subject to specified deductibles.

The District completed an update of the annual appraisal of District structures in May 2024. The valuation provided a thorough inventory of above-ground structures and replacement costs. The District's property insurance policy was revised to reflect these valuations, establishing a blanket valuation of \$1,551,508,646.

H. Postemployment Benefits Other than Pensions (OPEB)

Plan Information

In accordance with NRS, retirees of the District may continue insurance through the Clark County Retiree Health Program Plan (County Plan), if enrolled in PERS and an active employee at the time of retirement. Within the County Plan retirees may choose between the Clark County Self-Funded Group Medical and Dental Benefits Plan (Self-Funded Plan), and the Clark County Exclusive Provider Organization Plan (EPO), a self-funded health and welfare plan. This plan is a single-employer defined benefit OPEB plan.

CLARK COUNTY WATER RECLAMATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

The Public Employee Benefit Program (PEBP), a multiple-employer cost-sharing defined benefit OPEB plan, was closed to enrollment for active employees as of September 1, 2008.

Each plan provides medical, dental and vision benefits to eligible active and retired employees and beneficiaries. Except for the PEBP, benefit provisions are established and amended through negotiations between the District and the employee union. PEBP benefit provisions are established and may be amended by the Nevada State Legislature. The Self-Funded/EPO plans are not administered as a qualifying trust or equivalent arrangement and are included in the Clark County Annual Report as an internal service fund (the Self-Funded Group Insurance Fund), as required by the NRS.

The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. The Self-Funded/EPO and PEBP reports may be obtained by writing or calling the plans at the following addresses or numbers:

Clark County, Nevada
 PO Box 551210
 500 S. Grand Central Parkway
 Las Vegas, NV 89155-1210
 (702) 455-0000

Public Employee Benefit Plan
 901 South Stewart Street, Suite 101
 Carson City, Nevada 89701
 (800) 326-5496

Employees Covered by Benefit Terms

At June 30, 2024, OPEB plan membership consisted of the following:

	PEBP	Self-Funded /EPO	Total
Retiree (& widow)	23	97	120
Spouses of retirees	-	43	43
Active members	-	340	340
Total	<u>23</u>	<u>437 *</u>	<u>460 *</u>

*The total does not include spouse of retirees for the District’s financial reporting purposes.

Contribution Requirements

For the Self-Funded/EPO plans, contribution requirements of plan members and the District are established and may be amended through negotiations between the District Board of Trustees and the Service Employees International Union. The District pays approximately 90% of monthly premiums for active employee coverage, an average District share rate of \$1,009 and \$978 per active employee for the years ended June 30, 2024, and June 30, 2023, respectively. Retirees in the Self-Funded/EPO plans receive no direct subsidy from the District. Under state law, retiree loss experience is pooled with active loss experience for the purpose of setting rates. The difference between the true claims cost and the blended premium is an implicit rate subsidy that creates an OPEB cost for the District.

The District is required to pay the PEBP an explicit subsidy, based on years of service, for retirees who have enrolled in this plan. In 2024, retirees with five to fourteen years of service were required to pay an additional monthly premium from \$39 to \$386 per month. Retirees were eligible for a monthly subsidy ranging from a minimum of \$39 after fifteen years of service to a maximum of \$193 for twenty or more years of service with a Nevada state or local government entity. The subsidy is set by the Nevada State Legislature and can only be amended through legislation.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plans (the plans as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the District and the plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The total OPEB liability for the Self-Funded/EPO, and PEBP plans was determined using the following actuarial assumptions (based on the results of an experience review completed in 2023), applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2023
Measurement date	June 30, 2023
Reporting date	June 30, 2024
Salary Increase Rate	3.0% per annum
Discount rate	3.65% per annum as of June 30, 2023 3.54% per annum as of June 30, 2022
Discount rate source	Bond Buyer 20-Bond GO index
Postemployment benefit changes	None
Benefit-related costs shared with inactive employees	Required to contribute 100% of premium equivalent rates
Actuarial cost method	Entry Age Normal based on level percentage of salary
Healthcare cost trend rates	6.50% per annum, decreasing 0.25% per year to an ultimate rate of 4.00%

Mortality rates were based on the Pub-2010 table with the MP-2021 improvement scales

Changes in the assumptions and other inputs that affected the measurement of the District's total OPEB liability during the period ended June 30, 2023, were as follows:

Discount rates for the year ended June 30, 2023 was 3.65%.

No changes in the OPEB benefit terms affected the measurement of the District's total OPEB liability during the period ended June 30, 2024.

The District holds no assets in the OPEB trust and has no assumed asset allocations or expected real rate of return.

CLARK COUNTY WATER RECLAMATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

Discount Rate

As of June 30, 2024, the sensitivity of the chosen discount rate (3.65%) used to estimate the District's OPEB liability (rounded in thousands) is illustrated as follows:

	1% Decrease (2.65%)	Current Rate (3.65%)	1% Increase (4.65%)
PEBP	\$ 1,174,000	\$ 1,046,000	\$ 939,000
Self-Funded/EPO	30,970,000	25,736,000	21,645,000
Total OPEB Liability	<u>\$ 32,144,000</u>	<u>\$ 26,782,000</u>	<u>\$ 22,584,000</u>

Healthcare Trend Rate

The District's total OPEB liability at June 30, 2024, calculated using the healthcare trend rate of 6.50%, as well as what the District's total OPEB liability (rounded in thousands) would be if it were calculated using a healthcare trend rate that is 1% lower (5.50%) or 1% higher (7.50%) than the current healthcare trend rate was as follows:

	1% Decrease	Current Trend Rate	1% Increase
PEBP	\$ 944,000	\$ 1,046,000	\$ 1,148,000
Self-Funded/EPO	21,363,000	25,736,000	31,451,000
Total OPEB Liability	\$ 22,307,000	\$ 26,782,000	\$ 32,599,000

OPEB Liability

As of June 30, 2024, and June 30, 2023, the District reported a total OPEB liability of \$26,781,728 and \$26,209,366, respectively.

Because the District holds no assets in the OPEB trust, it has no fiduciary net position to report, and thus, the total OPEB liability equals the net OPEB liability.

At June 30, 2024, changes in the District's OPEB liability were as follows:

	PEBP	Self- Funded/EPO	Total
2023 Total OPEB Liability	<u>\$ 1,078,789</u>	<u>\$ 25,130,577</u>	<u>\$ 26,209,366</u>
Service cost	-	824,350	824,350
Interest cost	37,069	907,747	944,816
Change of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Change in assumptions and other inputs	(6,334)	(502,516)	(508,850)
Benefit payments	(63,260)	(624,694)	(687,954)
Net Change in Total OPEB Liability	<u>(32,525)</u>	<u>604,887</u>	<u>572,362</u>
2024 Total OPEB Liability	<u>\$ 1,046,264</u>	<u>\$ 25,735,464</u>	<u>\$ 26,781,728</u>

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

At June 30, 2023, changes in the District's OPEB liability were as follows:

	PEBP	Self- Funded/EPO	Total
2022 Total OPEB Liability	\$ 1,772,758	\$ 24,863,702	\$ 26,636,460
Service cost	-	953,978	953,978
Interest cost	37,632	552,770	590,402
Change of benefit terms	-	-	-
Differences between expected and actual experience	(486,922)	4,173,743	3,686,821
Change in assumptions and other inputs	(183,596)	(4,960,641)	(5,144,237)
Benefit payments	(61,083)	(452,975)	(514,058)
Net Change in Total OPEB Liability	(693,969)	266,875	(427,094)
2023 Total OPEB Liability	\$ 1,078,789	\$ 25,130,577	\$ 26,209,366

For the years ended June 30, 2024, and June 30, 2023, the District's OPEB credit adjustment was (\$945,942) and (\$1,820,261), respectively.

The District reported deferred outflows and inflows of resources related to OPEB as of June 30, 2024, as follows:

	PEBP		Self-Funded/HPN	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ 3,573,375	\$ (12,036,233)
Changes of assumptions or other inputs	-	-	4,799,287	(7,185,828)
Employer contributions subsequent to the measurement date	-	-	699,000	-
Total	\$ -	\$ -	\$ 9,071,662	\$ (19,222,061)

The District reported deferred outflows and inflows of resources related to OPEB as of June 30, 2023, as follows:

	PEBP		Self-Funded/HPN	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ 3,873,559	\$ (13,534,020)
Changes of assumptions or other inputs	-	-	5,292,970	(7,989,007)
Employer contributions subsequent to the measurement date	-	-	687,795	-
Total	\$ -	\$ -	\$ 9,854,324	\$ (21,523,027)

Deferred outflows of resources related to OPEB resulting from contributions made after the measurement date but before June 30, 2024, totaling \$699,000 will be recognized as a reduction of the total OPEB liability in the subsequent fiscal period. It has been actuarially determined that PEBP has no deferred outflows or inflows of resources.

CLARK COUNTY WATER RECLAMATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30:	<u>PEBP</u>	<u>Self-Funded/EPO</u>
2024	\$ -	\$ (1,738,176)
2025	-	(1,366,759)
2026	-	(1,354,390)
2027	-	(1,354,390)
2028	-	(1,354,390)
Thereafter	-	(3,681,294)
Total	<u>\$ -</u>	<u>\$ (10,849,399)</u>

I. Pension Plans

State of Nevada Public Employees' Retirements System

The District's employees are covered by the State of Nevada Public Employees' Retirement System (PERS). PERS was established in 1947, effective July 1, 1948, by the Nevada Legislature and is governed by the Public Employees Retirement Board whose seven members are appointed by the Governor. All public employees who meet certain eligibility requirements participate in PERS, which is a cost sharing multiple-employer defined benefit retirement plan. The District does not exercise any control over PERS. NRS 286.110 states that: "Respective participating public employers are not liable for any obligation of PERS."

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for plan members entering the System on or after January 1, 2010, and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this service time factor is 2.67% of average compensation. For plan members entering the System on or after January 1, 2010, there is a 2.5% service time factor for all years of service. Regular plan members entering the System on or after July 1, 2015, have a 2.25% service time factor. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575-.579. Retirees are eligible for annual benefit increases starting the fourth year of initially receiving benefits. Benefits are increased annually on the first day of the month following the anniversary of the commencement of benefits. The increases begin at 2% in years four, five, and six; increase to 3% in years seven, eight, and nine; 3.5% in years ten, eleven, and twelve; 4% for years thirteen and fourteen; and 5% in year fifteen and each year thereafter. If the benefit outpaces inflation in the period since retirement, the increase may be capped by a rolling three-year average of the Consumer Price Index (all items).

Retirees who enter the System on or after January 1, 2010, are eligible for annual benefit increases starting the fourth year of initially receiving benefits. Benefits are increased annually on the first day of the month following the anniversary of the commencement of benefits. The increases begin at 2% in years four, five, and six; increase to 3% in years seven, eight, and nine; 3.5% in years ten, eleven, and twelve; and 4% in year thirteen and each year thereafter. If the benefit outpaces inflation in the period since retirement, the increase may be capped by a rolling three-year average of the Consumer Price Index (all items).

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

Retirees who enter the System on or after July 1, 2015, are eligible for annual benefit increases starting the fourth year of initially receiving benefits. Benefits are increased annually on the first day of the month following the anniversary of the commencement of benefits. The increases begin at 2% in years four, five, and six; increase to 2.5% in years seven, eight, and nine; then adjust to the lesser of 3% or the increase, if any, in the Consumer Price Index (all items) for the preceding calendar year following the tenth year and every year thereafter.

Regular members entering PERS prior to January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with 30 years of service. Regular members entering PERS on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or at age 55 with 30 years of service, or at any age with 33 1/3 years of service.

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

The authority for establishing and amending the obligation to make contributions and member contribution rates rests with NRS and the Nevada Legislature. New hires, in agencies that did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer or can make contributions by a payroll deduction matched by the employer.

PERS's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due. PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Contributions 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 actuarial 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.

For the fiscal year ended June 30, 2024, the Statutory employer/employee matching rate was 17.50% and the EPC rate was 33.50%. For the fiscal year ended June 30, 2023, the Statutory employer/employee matching rate was 15.50% and the EPC rate was 29.75%.

PERS issues a publicly available Annual Comprehensive Financial Report that includes financial statements and required supplemental information. This report is available on the PERS website, www.nvpers.org under publications.

PERS collective net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. For this purpose, certain actuarial valuation assumptions are stipulated by GASB and may vary from those used to determine the prospective funding contribution rates.

CLARK COUNTY WATER RECLAMATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

Actuarial Methods and Assumptions

The PERS net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.20% to 9.10%, depending on service Rates include inflation and productivity increases
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Discount rate	7.25%

The actuarial assumptions used in the June 30, 2023, valuation was based on the results of the experience study for the period July 1, 2016, through June 30, 2020.

At June 30, 2023, assumed mortality rates for selected ages were as follows:

<u>Age</u>	<u>Regular Members</u>		<u>Expected Years of</u>	
	<u>Mortality Rates</u>		<u>Life Remaining</u>	
	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>
40	0.07%	0.04%	43.4	47.1
50	0.35%	0.24%	33.2	36.7
60	0.72%	0.43%	23.7	26.9
70	1.80%	1.19%	15.2	17.8
80	5.71%	3.75%	8.1	10.0

The mortality rates are based on the following:

- For healthy regular members: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.
- For disabled regular members: Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 20% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.
- For beneficiaries: Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 15% for males and 30% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

CLARK COUNTY WATER RECLAMATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

Investment Policy

The policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the PERS system.

The following was the Board adopted policy target asset allocation as of June 30, 2023:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return
U.S. stocks	42%	5.50%
International stocks	18%	5.50%
U.S. bonds	28%	0.75%
Private markets	12%	6.65%
	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2023, and June 30, 2022. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified by statute. Based on that assumption, the PERS fiduciary net position at June 30, 2023, 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 (7.25%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2023.

The following presents the District’s proportionate share of the net pension liability at June 30, 2023 and June 30, 2022, calculated using the discount rates above, as well as the District’s proportionate share of what the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability (2024)	\$ 120,455,103	\$ 77,406,001	\$ 41,877,853
Net Pension Liability (2023)	\$ 121,455,441	\$ 79,107,207	\$ 44,163,560

Detailed information about PERS fiduciary net position is available in the PERS Annual Comprehensive Financial Report (Annual Report), available on the PERS website, www.nvpers.org under publications. PERS fiduciary net position and addition to/deductions from it have been determined on the same basis used in the PERS Annual Report. PERS financial statements are prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental accounting for fiduciary funds. PERS investments are reported at fair value. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Net Pension Liability

At the measurement dates of June 30, 2024, and June 30, 2023, the District’s proportionate share of the collective net pension liability represents 0.42407% and 0.43815% of the collective net pension liability, respectively. Contributions for employer pay dates within the fiscal years ending June 30, 2024, and June 30, 2023, were used as the basis for determining each employer’s proportionate share. 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.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

For the years ended June 30, 2024, and June 30, 2023, the District's pension expense was \$9,687,049 and 7,912,881, respectively, and its reported deferred outflows and inflows of resources related to pensions were as follows:

	June 30, 2024		June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$10,089,400	\$ -	\$10,243,076	\$ 56,512
Changes of assumptions or other inputs	7,254,416	-	10,161,872	-
Net differences between projected and actual earnings on pension plan investments	-	724,522	965,157	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,041,694	2,541,479	2,729,878	1,445,011
Contributions subsequent to the measurement date	5,914,553	-	4,909,303	-
Total	<u>\$25,300,063</u>	<u>\$ 3,266,001</u>	<u>\$29,009,286</u>	<u>\$ 1,501,523</u>

At June 30, 2024, and June 30, 2023, the average expected remaining service life is 5.63 and 5.70 years, respectively.

Deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date but before June 30, 2024, totaling \$5,914,553 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30:	
2025	\$ 2,619,154
2026	2,306,984
2027	9,769,309
2028	1,068,658
2029	355,404
Thereafter	0
Total	<u>\$ 16,119,509</u>

Changes in the District's net pension liability were as follows:

	2024	2023
Beginning net pension liability	\$ 79,107,207	\$ 37,712,792
Pension expense	9,687,049	7,912,881
Employer contributions	(4,909,303)	(4,819,584)
Net change in deferred outflows and inflows	(6,478,952)	38,301,118
Ending net pension liability	<u>\$ 77,406,001</u>	<u>\$ 79,107,207</u>

At June 30, 2024, and June 30, 2023, \$934,906 and \$1,133,024, respectively, was payable to PERS equal to the June 30, 2024 and June 30, 2023, required contributions, which were included in accounts payable.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

J. Long-Term Liabilities

General Obligation Bonds

Outstanding District general obligation bonds (additionally secured by pledged revenue) are rated an “AAA” by Standard & Poor’s Corporation and “Aa1” by Moody’s. The net proceeds of all bond issuances have been used to finance portions of one or more capital improvement projects.

At June 30, 2024, outstanding debt payable was as follows:

	2023	Advance Refunded / Bond Issuance	Payments	2024	Due Within One Year
State Revolving Loan - ARRA (2009C) 0.00% , due in semi-annual installments from 2012 through 2029 Original issue amount \$5,744,780 on 10/16/2009	2,018,434		310,529	1,707,905	310,528
State Revolving Loan (2011A) 3.1875% , due in semi-annual installments from 2014 through 2031 Original issue amount \$40,000,000 on 03/25/2011 (1)	21,036,715		2,347,900	18,688,815 (1)	2,423,335
State Revolving Loan (2012A) 2.3562% , due in semi-annual installments from 01/01/2016 through 2032 Original issue amount \$30,000,000 on 07/13/2012 (2)	18,285,374		1,738,836	16,546,538 (2)	1,780,050
2015 Series Refunding 3.25% - 5.00% general obligation bonds, due in annual installments from 2019 through 2038 Original issue amount \$103,625,000 on 08/04/2015	88,445,000		4,285,000	84,160,000	4,500,000
2016 Series Refunding 3.00% - 5.00% general obligation bonds, due in annual installments from 2019 through 2038 Original issue amount \$269,465,000 on 08/31/2016	237,845,000		10,145,000	227,700,000	10,665,000
2023 Series 5.00% - 6.00% general obligation bonds, due in annual installments from 2025 through 2054 Good Faith Money received on 06/29/2023 for Original issue amount \$340,000,000, Sale to Close on 07/18/2023	3,400,000	336,600,000	-	340,000,000	4,960,000
Total	<u>\$371,030,523</u>	<u>\$ 336,600,000</u>	<u>\$18,827,265</u>	<u>\$688,803,258</u>	<u>\$ 24,638,913</u>

(1) The 2011A bond was issued to the State of Nevada as collateral for a low interest loan through the State Revolving Loan Fund.

(2) The 2012A bond was issued to the State of Nevada as collateral for a low interest loan through the State Revolving Loan Fund.

The original issue amount represents the total amount of authorization for the loan.

Pledged Revenues

The District’s General Obligation/Revenue Supported Bonds constitute direct and general obligations of the District, and the full faith and credit of the District is pledged to the payment of principal and interest thereon, subject to Nevada constitutional and statutory limitations on the aggregate amount of ad valorem taxes. The bonds are backed by the District’s ability to levy general ad valorem taxes on all taxable property serviced by the District. The bonds are additionally secured by certain pledged revenues derived by the District after operation and maintenance expenses are deducted (Net Pledged Revenues). Historically, the District has not levied an ad valorem tax because the District’s revenues have always been sufficient to pay debt service on all the District’s bonds and obligations; however, in any year in which those revenues are insufficient to pay debt service, the District is obligated to levy ad valorem taxes to pay debt service. The total remaining principal and interest payments for the District’s bonds was \$1,103,069,419 as of June 30, 2024. In fiscal year 2024, Net Pledged Revenues received totaled \$162,558,865 and the required debt service totaled \$39,989,852.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

The following table outlines the total amount of annual debt service for years 2025 through 2029 and provides total debt service in five-year increments for year 2030 through final maturity.

Year Ending June 30	Principal	Interest	Total
2025	\$ 24,638,913	\$ 29,518,168	\$ 54,157,081
2026	25,788,961	28,366,120	54,155,081
2027	26,997,511	27,157,696	54,155,207
2028	28,269,665	25,889,916	54,159,581
2029	29,635,533	24,706,923	54,342,456
2030-2034	151,392,675	106,724,388	258,117,063
2035-2039	170,985,000	74,555,575	245,540,575
2040-2044	58,755,000	50,723,125	109,478,125
2045-2049	75,455,000	34,029,875	109,484,875
2050-2054	96,885,000	12,594,375	109,479,375
Total	<u>\$ 688,803,258</u>	<u>\$ 414,266,161</u>	<u>\$ 1,103,069,419</u>

The District holds no unused lines of credit, direct placements, or direct borrowings.

None of the debt is collateralized by physical assets. The bond documents do not contain terms related to significant events of default with finance-related consequences, termination events with finance-related consequences or subjective acceleration clauses.

PFM Asset Management LLC determined the District had no arbitrage liability to the Internal Revenue Service as of June 30, 2024.

Changes in Long-Term Liabilities

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

	Beginning Balance June 30, 2023	Additions	Reductions	Ending Balance June 30, 2024	Due Within One Year
Bonds Payable:					
General obligation bonds	\$ 371,030,523	\$ 336,600,000	\$ (18,827,265)	\$ 688,803,258	\$ 24,638,913
Plus deferred amounts for issuance premiums	23,343,512	38,663,941	(3,648,157)	58,359,296	-
Total Bonds Payable	394,374,035	375,263,941	(22,475,422)	747,162,554	24,638,913
Net pension liability	79,107,207	9,687,049	(11,388,255)	77,406,001	-
OPEB liability	26,209,366	1,769,166	(1,196,804)	26,781,728	-
Subscription IT liabilities	4,275,062	1,184,160	(2,137,550)	3,321,672	1,053,383
Compensated absences	7,493,088	821,635	(569,510)	7,745,213	1,096,097
Long-Term liabilities	<u>\$ 511,458,758</u>	<u>\$ 388,725,951</u>	<u>\$ (37,767,541)</u>	<u>\$ 862,417,168</u>	<u>\$ 26,788,393</u>

CLARK COUNTY WATER RECLAMATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

Long-term liability activity for the year ended June 30, 2023, was as follows:

	Beginning Balance <u>June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>June 30, 2023</u>	Due Within <u>One Year</u>
Bonds Payable:					
General obligation bonds	\$ 385,634,444	\$ 3,400,000	\$ (18,003,921)	\$ 371,030,523	\$ 18,827,266
Plus deferred amounts for issuance premiums	<u>26,226,908</u>	<u>-</u>	<u>(2,883,396)</u>	<u>23,343,512</u>	<u>-</u>
Total Bonds Payable	411,861,352	3,400,000	(20,887,317)	394,374,035	18,827,266
Net pension liability	37,712,792	41,394,415	-	79,107,207	-
OPEB liability	26,636,460	54,111	(481,205)	26,209,366	-
Subscription IT liabilities	4,227,748	1,256,981	(1,209,667)	4,275,062	1,212,847
Compensated absences	<u>7,285,829</u>	<u>404,565</u>	<u>(197,306)</u>	<u>7,493,088</u>	<u>948,282</u>
Long-Term liabilities	<u>\$ 487,724,181</u>	<u>\$ 46,510,072</u>	<u>\$ (22,775,495)</u>	<u>\$ 511,458,758</u>	<u>\$ 20,988,395</u>

The future principal and interest SBITA payments as of June 30, 2024, are as follows:

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,053,383	\$ 47,423	\$ 1,100,806
2026	538,503	28,163	566,666
2027	556,507	20,991	577,498
2028	541,137	13,934	555,071
2029	434,580	8,021	442,601
2030 - 2034	<u>197,562</u>	<u>15,673</u>	<u>213,235</u>
Total	<u>\$ 3,321,672</u>	<u>\$ 134,205</u>	<u>\$ 3,455,877</u>

K. Reserve Policies

Designated Unrestricted Reserves

The District currently maintains a single fund for all sewer revenues, expenses, and cash balances. However, financial obligations are separated into operating and capital cost centers. This segregation reflects the differing activities of the cost centers and allows for a clear picture of the District's operating and capital requirements and the funding sources available for each. Further, separately identifying operating and capital needs assists in establishing appropriate levels of operating and capital reserves, which are a necessary and appropriate part of fiscal prudent management for the District. Operating reserves are designed to provide a liquidity cushion against variability and timing of expenses and receipts, unanticipated cash operating expenses or less than expected revenues. The District's Operating and Maintenance Reserve is equal to 120 days of prior year actual O&M expenses.

The repair and replacement of the District's conveyance and treatment facilities is critical to the ongoing operation of the District and the safety of the community and environment. A capital contingency reserve is set aside in case of emergency, should a piece of equipment or a portion of the District's infrastructure fail unexpectedly. This reserve amount is set at the lesser of: (1) two percent (2.0%) of the value of total asset original cost; or (2) \$50 million.

The District established a capital expansion reserve in the event of an unanticipated need for capital expansion to an existing conveyance system or treatment facility or the possible need for an additional system or facility due to unexpected service

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

area growth or need. The reserve will equal the lesser of: (1) the average of the next ten years budgeted expansion capital; or (2) \$25 million.

NRS 354.6115 provides for the creation of reserves to stabilize the operations of local governments, including public utilities. Monies the District transfers to this reserve may only be used if the total actual revenues of the District fall short of the total anticipated revenues or expenses incurred by the District to mitigate the effects of natural disaster. The District's budget stabilization reserve also provides resources that allow for rate stability. The District's Budget Stabilization Reserve is equal to 10% of actual operations and maintenance expenses from the previous fiscal year.

As required by GASB statement 75, the District began to record a liability for OPEB obligations in fiscal year 2018. GASB standards do not require employers to advance fund OPEB; however, the District initiated this reserve fund allowing for the opportunity to begin advance funding in the future. The reserve fund amount will be equal to the total OPEB liability from the previous year.

Funds are set aside in the worker's compensation insurance reserve for potential losses. The reserve is classified as designated unrestricted funds since their use is limited (but not mandated) to the payment of any claims. Annual worker's compensation insurance reserves are equal to the amount of the annual maximum out-of-pocket expense, per event in any given year, less the amount of the workers' compensation insurance security deposit.

Restricted Reserves

Funds set aside for payment of general obligation debt and revenue bonds are classified as restricted assets since their use is limited by applicable bond covenants. A bond reserve account was established in compliance with the District's bond resolutions to meet possible deficiencies in debt service. The annual bond debt service reserve is equal to the largest annual principal and interest amount due for the remaining outstanding life of the bonds.

Pursuant to NRS 616B.330(2), each self-insured employer must deposit with the Commissioner of the State of Nevada, Division of Insurance, a bond, or other security, executed by the employer as principal, and by a corporation qualified under the laws of this State, payable to the State of Nevada, and conditioned upon the payment of compensation for injuries and occupational diseases to employees. The security amount and related reserve may change as directed by the Commissioner.

L. Contingencies

In the ordinary course of its operations, claims may be filed against the District. Although unable to estimate the amount of likely losses, if any, it is the opinion of management that because of its insurance and other risk management practices these claims will not result in any material adverse effect on the District's financial position or operations. Historically, no provision has been made for any such losses in these matters. 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 the services are rendered.

M. New Accounting Pronouncements

GASB issued Statement No. 99 Omnibus 2022 - Effective dates vary from immediate implementation to implementation effective fiscal years beginning after June 15, 2023. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. Management has not yet completed its assessment of this statement.

GASB issued Statement No. 100 Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62, effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. The primary objective of this Statement is 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

CLARK COUNTY WATER RECLAMATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

or assessing accountability. Management has completed its assessment of this position and has determined it has no material effect on financial position.

GASB issued Statement No. 101, Compensated Absences, - Effective for fiscal years beginning after December 15, 2023. 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. Management has not yet completed its assessment of this statement.

GASB issued Statement No. 102, Certain Risk Disclosures - Effective for fiscal years beginning after June 15, 2024. The objective of this Statement is to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. Management has not yet completed its assessment of this statement.

GASB Statement No. 103 – Financial Reporting Model Improvements - Effective for year-end June 30, 2026. Earlier application is encouraged. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. Management has not yet completed its assessment of this statement.

GASB Statement No. 104 – Disclosure of Certain Capital Assets - Effective for year-end June 30, 2026. Earlier application is encouraged. The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. The disclosure requirements will improve consistency and comparability between governments. Management has not yet completed its assessment of this statement.

N. Net Investment in Capital Assets

At June 30, net investment in capital assets was as follows:

	<u>2024</u>	<u>2023</u>
Total capital assets	\$ 3,891,133,822	\$ 3,603,263,373
Less accumulated depreciation	<u>1,621,894,438</u>	<u>1,534,313,525</u>
Total Capital Assets, Net	2,269,239,384	2,068,949,848
Less:		
Outstanding principal of capital-related borrowings (limited to proceeds expended for capital purposes and excluding unspent proceeds)	376,943,258	44,740,523
Outstanding principal of debt used to refund capital-related borrowings	311,860,000	326,290,000
Outstanding balance of capital accounts payable and retainage payable	36,095,833	22,178,873
Unamortized original issue premiums on outstanding capital debt	58,359,296	23,343,512
Outstanding principal of subscription liabilities	<u>3,321,672</u>	<u>4,275,062</u>
Subtotal	786,580,059	420,827,970
Plus:		
Deferred loss on bond refunding	<u>27,927,530</u>	<u>29,922,362</u>
Net investment in capital assets	<u>\$ 1,510,586,855</u>	<u>\$ 1,678,044,240</u>

O. Subsequent Events

Events through October 31, 2024 were evaluated by management of the District who determined that no events occurred that require additional recognition or disclosure in these financial statements.



The decades-old utility tunnels were demolished as part of the East Campus demolition project



***Required Supplementary
Information***

The
"Clean
Water Team"

**Clark County Water Reclamation District
Required Supplementary Information
Postemployment Benefits Other than Pensions
Schedule of Changes in Total OPEB Liability
PEBP**

Last Ten Fiscal Years *

	Fiscal Year Ended						
	2018	2019	2020	June 30 2021	2022	2023	2024
Beginning Total OPEB Liability	\$2,075,432	\$1,879,552	\$1,618,893	\$1,685,115	\$1,788,537	\$1,772,758	\$1,078,789
Service cost	-	-	-	-	-	-	-
Interest cost	58,058	68,038	61,208	57,595	38,861	37,632	37,069
Differences between expected and actual experience	6,322	(402)	-	(160,697)	-	(486,922)	-
Changes in assumptions or other inputs	(180,776)	(250,919)	79,594	285,589	5,618	(183,596)	(6,334)
Benefit payments	(79,484)	(77,376)	(74,580)	(79,065)	(60,258)	(61,083)	(63,260)
Net Change in Total OPEB Liability	(195,880)	(260,659)	66,222	103,422	(15,779)	(693,969)	(32,525)
Ending Total OPEB Liability	<u>\$1,879,552</u>	<u>\$1,618,893</u>	<u>1,685,115</u>	<u>1,788,537</u>	<u>\$1,772,758</u>	<u>\$1,078,789</u>	<u>\$1,046,264</u>
Covered employee payroll ¹	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability, End of Year as a Percentage of Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

¹ PEBP is closed to new employees and thus has no covered payroll.

Notes to Schedule

Actuarial valuation date	June 30, 2023
Measurement date	June 30, 2023
Reporting date	June 30, 2024
Salary Increase Rate	3.0% per annum
Discount rate	As of June 30, 2023 the discount rate increased from 3.54% to 3.65%
Discount rate source	Bond Buyer 20-Bond GO index
Postemployment benefit changes	None
Benefit-related costs shared with inactive employees	Required to contribute 100% of premium equivalent rates
Actuarial cost method	Entry Age Normal based on level percentage of salary
Healthcare cost trend rates	6.50% per annum, decreasing 0.25% per year to an ultimate rate of 4.00%

The District holds no assets in the OPEB trust and has no assumed asset allocations or expected real rate of return.

* The required supplementary information is presented for fiscal years 2018 through 2024, 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.

**Clark County Water Reclamation District
Required Supplementary Information
Postemployment Benefits Other than Pensions
Schedule of Changes in Total OPEB Liability
Self-Funded/HPN
Last Ten Fiscal Years ***

	June 30						
	2018	2019	2020	2021	2022	2023	2024
Beginning Total OPEB Liability	\$38,947,630	\$36,723,630	\$18,192,337	\$20,307,261	\$23,967,854	\$24,863,702	\$25,130,577
Service cost	2,063,444	1,945,617	765,312	915,412	960,486	953,978	824,350
Interest cost	1,162,967	1,377,271	720,839	733,017	541,947	552,770	907,747
Differences between expected and actual experience	(71,011)	(17,775,013)	-	(2,785,491)	-	4,173,743	-
Change in assumptions and other inputs	(4,911,726)	(3,683,170)	1,291,384	5,356,306	205,149	(4,960,641)	(502,516)
Benefit payments	(467,674)	(395,998)	(662,611)	(558,651)	(811,734)	(452,975)	(624,694)
Net Change in Total OPEB Liability	<u>(2,224,000)</u>	<u>(18,531,293)</u>	<u>2,114,924</u>	<u>3,660,593</u>	<u>895,848</u>	<u>266,875</u>	<u>604,887</u>
Ending Total OPEB Liability	<u>\$36,723,630</u>	<u>\$18,192,337</u>	<u>\$20,307,261</u>	<u>\$23,967,854</u>	<u>\$24,863,702</u>	<u>\$25,130,577</u>	<u>\$25,735,464</u>
Covered employee payroll	26,631,154	27,787,860	27,787,860	29,396,311	33,230,664	33,382,028	36,345,483
Total OPEB Liability, End of Year as a Percentage of Covered-Employee Payroll	137.90%	65.47%	73.08%	81.53%	74.82%	75.28%	70.81%

Notes to Schedule

Actuarial valuation date	June 30, 2023
Measurement date	June 30, 2023
Reporting date	June 30, 2024
Salary Increase Rate	3.0% per annum
Discount rate	As of June 30, 2023 the discount rate increased from 3.54% to 3.65%
Discount rate source	Bond Buyer 20-Bond GO index
Postemployment benefit changes	None
Benefit-related costs shared with inactive employees	Required to contribute 100% of premium equivalent rates
Actuarial cost method	Entry Age Normal based on level percentage of salary
Healthcare cost trend rates	6.50% per annum, decreasing 0.25% per year to an ultimate rate of 4.00%

The District holds no assets in the OPEB trust and has no assumed asset allocations or expected real rate of return.

* The required supplementary information is presented for fiscal years 2018 through 2024, 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.

**Clark County Water Reclamation District
Required Supplementary Information
Postemployment Benefits Other than Pensions
Proportionate Share of Contractually Required OPEB Contribution Information - PEBP
Last Ten Fiscal Years ***

Plan Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually determined contributions	Contribution deficiency (excess)	Covered employee payroll ¹	Contributions as a percentage of covered employee payroll
2024	\$ 63,260	\$ 63,260	\$ -	N/A	N/A
2023	61,083	61,083	-	N/A	N/A
2022	60,258	60,258	-	N/A	N/A
2021	79,065	79,065	-	N/A	N/A
2020	74,580	74,580	-	N/A	N/A
2019	77,376	77,376	-	N/A	N/A
2018	79,484	79,484	-	N/A	N/A

¹ PEBP is closed to new employees and thus has no covered payroll.

Notes to Schedule

Actuarial valuation date	June 30, 2023
Measurement date	June 30, 2023
Reporting date	June 30, 2024
Salary Increase Rate	3.0% per annum
Discount rate	As of June 30, 2023 the discount rate increased from 3.54% to 3.65%
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Postemployment benefit changes	None
Benefit-related costs shared with inactive employees	Required to contribute 100% of premium equivalent rates
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* The required supplementary information is presented for fiscal years 2018 through 2024, 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.

Clark County Water Reclamation District
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Last Ten Fiscal Years

Plan Year Ended June 30	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered payroll	Proportionate share of the net pension liability as a percentage of covered payroll	Plan's fiduciary net position (in millions)	Plan fiduciary net position as a percentage of the total pension liability
2024	0.42407%	\$ 77,406,001	\$ 33,006,480	234.52%	\$ 58,315,100	76.16%
2023	0.43815%	79,107,207	32,467,726	243.65%	54,514,000	75.12%
2022	0.41355%	37,712,792	29,598,158	127.42%	58,458,500	86.51%
2021	0.42379%	59,027,552	30,324,054	194.66%	46,735,100	77.04%
2020	0.42751%	58,295,035	29,396,311	198.31%	44,284,300	76.46%
2019	0.43208%	58,926,437	28,570,227	206.25%	41,431,700	75.24%
2018	0.42525%	56,558,019	27,155,077	208.28%	38,686,300	74.42%
2017	0.42768%	57,553,380	26,805,607	214.71%	35,002,000	72.23%
2016	0.40472%	46,378,911	24,779,783	187.16%	34,610,700	75.13%
2015	0.40096%	41,788,009	23,947,775	174.50%	33,575,100	76.31%

**Clark County Water Reclamation District
Required Supplementary Information
Proportionate Share of Statutorily Required Pension Contribution Information
Last Ten Fiscal Years**

Plan Year Ended June 30	Statutorily required contribution	Contributions in relation to the statutorily determined contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2024	\$ 11,829,107	\$11,829,107	-	\$ 35,727,833	33.11%
2023	9,819,426	9,819,426	-	33,006,480	29.75%
2022	9,639,167	9,639,167	-	32,467,726	29.69%
2021	8,656,951	8,656,951	-	29,598,158	29.25%
2020	8,832,949	8,832,949	-	30,324,054	29.13%
2019	8,230,968	8,230,968	-	29,396,311	28.00%
2018	7,999,660	7,999,660	-	28,570,227	28.00%
2017	7,598,614	7,598,614	-	27,155,077	27.98%
2016	7,171,104	7,171,104	-	26,805,607	26.75%
2015	6,246,929	6,246,929	-	24,779,783	25.21%



***Supplementary
Information***

The
"Clean
Water Team"

Clark County Water Reclamation District
Schedule of Capital Assets
Years Ended June 30, 2024 and 2023

	Capital Assets June 30, 2023	Current Year Cost Increases	Current Year Cost Decreases	Capital Assets June 30, 2024
Land and Rights of Way	\$ 17,522,961	\$ -	\$ (334,715)	\$ 17,188,246
Land Improvements	15,085,902	-	-	15,085,902
Total Land and Improvements	<u>32,608,863</u>	<u>-</u>	<u>(334,715)</u>	<u>32,274,148</u>
Buildings and Wastewater Treatment Facilities:				
Flamingo Water Resource Center	1,182,302,953	21,077,992	(4,492,940)	1,198,888,005
Laughlin Water Resource Center	86,586,465	-	-	86,586,465
Blue Diamond Treatment Ponds	2,168,226	-	-	2,168,226
Indian Springs Treatment Facility	19,115,950	-	-	19,115,950
Moapa Valley Treatment Facility	22,101,471	-	-	22,101,471
Searchlight Treatment Ponds	3,088,117	-	-	3,088,117
Total Buildings and Wastewater Treatment Facilities:	<u>1,315,363,182</u>	<u>21,077,992</u>	<u>(4,492,940)</u>	<u>1,331,948,234</u>
Wastewater Conveyance Lines:				
Flamingo Water Resource Center	895,571,386	19,773,604	(20,857)	915,324,133
Laughlin Water Resource Center	15,068,512	-	-	15,068,512
Indian Springs Treatment Facility	12,062,308	-	-	12,062,308
Moapa Valley Treatment Facility	32,583,294	-	-	32,583,294
Searchlight Treatment Ponds	3,671,225	-	-	3,671,225
Contributed Wastewater Lines	677,528,714	48,849,403	(72,317)	726,305,800
Total Wastewater Conveyance Lines:	<u>1,636,485,439</u>	<u>68,623,007</u>	<u>(93,174)</u>	<u>1,705,015,272</u>
Equipment	392,614,707	14,868,959	(2,561,063)	404,922,603
Subscription IT assets Infrastructure	6,751,644	1,376,869	(688,286)	7,440,227
Construction in Progress	219,439,538	236,708,785	(46,614,985)	409,533,338
Total	<u>\$ 3,603,263,373</u>	<u>\$ 342,655,612</u>	<u>\$ (54,785,163)</u>	<u>\$ 3,891,133,822</u>

Continued on next page

**Clark County Water Reclamation District
Schedule of Capital Assets (concluded)
Years Ended June 30, 2024 and 2023**

	Accumulated Depreciation June 30, 2023	Depreciation Increases	Depreciation Decreases	Accumulated Depreciation June 30, 2023	Net Capital Assets June 30, 2024
Land and Rights of Way	\$ -	\$ -	\$ -	\$ -	\$ 17,188,246
Land Improvements	7,674,435	913,735	-	8,588,170	6,497,732
Total Land and Improvements	7,674,435	913,735	-	8,588,170	23,685,978
Buildings and Wastewater Treatment Facilities:					
Flamingo Water Resource Center	722,303,875	32,350,253	(2,083,266)	752,570,862	446,317,143
Laughlin Water Resource Center	65,866,061	1,042,482	-	66,908,543	19,677,922
Blue Diamond Treatment Ponds	991,464	48,501	-	1,039,965	1,128,261
Indian Springs Treatment Facility	8,607,515	833,537	-	9,441,052	9,674,898
Moapa Valley Treatment Facility	11,320,632	694,573	-	12,015,205	10,086,266
Searchlight Treatment Ponds	1,687,138	133,689	-	1,820,827	1,267,290
Total Buildings and Wastewater Treatment Facilities:	810,776,685	35,103,035	(2,083,266)	843,796,454	488,151,780
Wastewater Conveyance Lines:					
Flamingo Water Resource Center	243,141,337	18,922,645	(2,642)	262,061,340	653,262,793
Laughlin Water Resource Center	5,040,182	310,286	-	5,350,468	9,718,044
Indian Springs Treatment Facility	3,139,376	218,612	-	3,357,988	8,704,320
Moapa Valley Treatment Facility	8,152,597	651,666	-	8,804,263	23,779,031
Searchlight Treatment Ponds	3,360,595	230,860	-	3,591,455	79,770
Contributed Wastewater Lines	166,838,564	13,840,354	(27,655)	180,651,263	545,654,537
Total Wastewater Conveyance Lines:	429,672,651	34,174,423	(30,297)	463,816,777	1,241,198,495
Equipment	283,941,989	19,691,956	(1,667,879)	301,966,066	102,956,537
Subscription IT assets Infrastructure	2,247,765	1,736,020	(256,814)	3,726,971	3,713,256
Construction in Progress	-	-	-	-	409,533,338
Total	\$ 1,534,313,525	\$ 91,619,169	\$ (4,038,256)	\$ 1,621,894,438	\$ 2,269,239,384

Continued from previous page

Clark County Water Reclamation District
Schedule of Revenues and Expenses Compared to Budget
Year Ended June 30, 2024
(with Comparative Actual Amounts for Year Ended June 30, 2023)

	2024 Budget	2024 Actual	Variance to Budget	2023 Actual
Operating Revenues:				
Sewer service charges	\$ 187,379,960	\$ 189,798,718	\$ 2,418,758	\$ 181,277,137
Connection fees, net of refunds and allowances	18,729,102	31,833,101	13,103,999	26,648,512
Reclaimed water sales	275,426	490,425	214,999	438,932
Pretreatment fees	447,946	443,956	(3,990)	422,725
Septage fees	447,305	1,034,281	586,976	593,310
Other	200,847	1,325,600	1,124,753	191,239
Total Operating Revenues	207,480,586	224,926,081	17,445,495	209,571,855
Operating Expenses:				
Salaries	31,234,706	32,066,668	831,962	29,633,055
Benefits	15,686,239	18,004,587	2,318,348	14,145,072
Utilities	14,547,092	14,043,836	(503,256)	11,619,289
Outside services	13,600,226	11,371,373	(2,228,853)	10,955,237
Chemicals	10,841,644	9,303,873	(1,537,771)	8,726,810
Maintenance	6,597,270	10,200,236	3,602,966	10,846,715
Other expenses	7,245,175	4,518,229	(2,726,946)	3,502,701
Supplies	8,254,627	5,760,452	(2,494,175)	5,282,949
Other losses	-	3,214,553	3,214,553	534,582
Depreciation	90,071,061	91,619,169	1,548,108	92,164,360
Total Operating Expenses	198,078,040	200,102,976	2,024,936	187,410,770
Income from Operations	9,402,546	24,823,105	15,420,559	22,161,085
Non-Operating Revenues (Expenses):				
Investment income	10,927,748	45,582,652	34,654,904	4,422,156
Restricted investment income (loss)	-	533,939	533,939	(49,924)
Sales tax apportionment	27,419,372	29,401,139	1,981,767	28,525,841
Interest expense	(21,135,012)	(28,295,028)	(7,160,016)	(13,011,974)
Other non-operating revenue, net	973,474	130,773	(842,701)	67,579
Total Non-Operating Revenues (Expenses)	18,185,582	47,353,475	29,167,893	19,953,678
Income Before Capital Contributions	27,588,128	72,176,580	44,588,452	42,114,763
Capital Contributions				
Contributed assets	42,506,906	48,849,403	6,342,497	37,760,747
Change in Net Position	70,095,034	121,025,983	50,930,949	79,875,510
Net Position, Beginning of the Year	2,145,058,800	2,145,058,800	-	2,065,183,290
Net Position, End of Year	\$ 2,215,153,834	\$ 2,266,084,783	\$ 50,930,949	\$ 2,145,058,800

Clark County Water Reclamation District
Schedule of Cash Flows Compared to Budget
Years Ended June 30, 2023 and 2022

	2024 Budget	2024 Actual	Variance to Budget	2023 Actual
Cash Flows from Operating Activities:				
Cash flows from customers	\$ 207,480,586	\$ 224,812,209	\$ 17,331,623	\$ 207,519,683
Cash received from others	-	130,773	130,773	67,579
Payments to employees for services and benefits	(46,920,945)	(46,992,577)	(71,632)	(42,387,551)
Payments for services and supplies	(61,086,034)	(55,422,545)	5,663,489	(50,230,861)
Net Cash Provided by Operating Activities	<u>99,473,607</u>	<u>122,527,860</u>	<u>23,054,253</u>	<u>114,968,850</u>
Cash Flows from Capital and Related Financing Activities:				
Sales tax apportionment	27,419,372	29,351,657	1,932,285	28,478,281
Acquisition, construction or improvement of capital assets	(305,996,504)	(231,562,680)	74,433,824	(113,253,538)
Principal payment on subscription liabilities	-	(2,137,550)	(2,137,550)	(1,209,667)
Principal payment on debt for capital assets	(18,827,267)	(18,827,266)	1	(18,003,921)
Proceeds from debt for capital assets	340,000,000	375,263,941	35,263,941	3,400,000
Interest payment on debt for capital assets	(21,135,012)	(21,836,557)	(701,545)	(14,299,803)
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>21,460,589</u>	<u>130,251,545</u>	<u>108,790,956</u>	<u>(114,888,648)</u>
Cash Flows from Investing Activities:				
Proceeds from sale of investments	311,235,520	225,733,705	(85,501,815)	144,733,153
Interest on investments	10,927,748	29,716,124	18,788,376	10,672,200
Purchases of investments	(342,615,708)	(321,814,672)	20,801,036	(115,773,045)
Net Cash Provided By (Used In) Investing Activities	<u>(20,452,440)</u>	<u>(66,364,843)</u>	<u>(45,912,403)</u>	<u>39,632,308</u>
Net Increase in Cash and Cash Equivalents	100,481,756	186,414,562	85,932,806	39,712,510
Cash and Cash Equivalents, Beginning of Year	39,544,358	94,290,562	54,746,204	54,578,052
Cash and Cash Equivalents, End of Year	<u>\$ 140,026,114</u>	<u>\$ 280,705,124</u>	<u>\$ 140,679,010</u>	<u>\$ 94,290,562</u>
Cash and Cash Equivalents Balances:				
Unrestricted cash and cash equivalents	\$ 42,672,449	\$ 85,543,866	\$ 42,871,417	\$ 65,326,490
Restricted cash and cash equivalents	97,353,665	195,161,258	97,807,593	28,964,072
Cash and Cash Equivalents, End of Year	<u>\$ 140,026,114</u>	<u>\$ 280,705,124</u>	<u>\$ 140,679,010</u>	<u>\$ 94,290,562</u>



The Flamingo Plant effluent makes it's way to Lake Mead via the Las Vegas Valley Wash

A stylized graphic of two overlapping waves. The outer wave is light blue and the inner wave is light teal. Both waves are curved and open at the top.

***Statistical Section
(Unaudited)***

The
"Clean
Water Team"

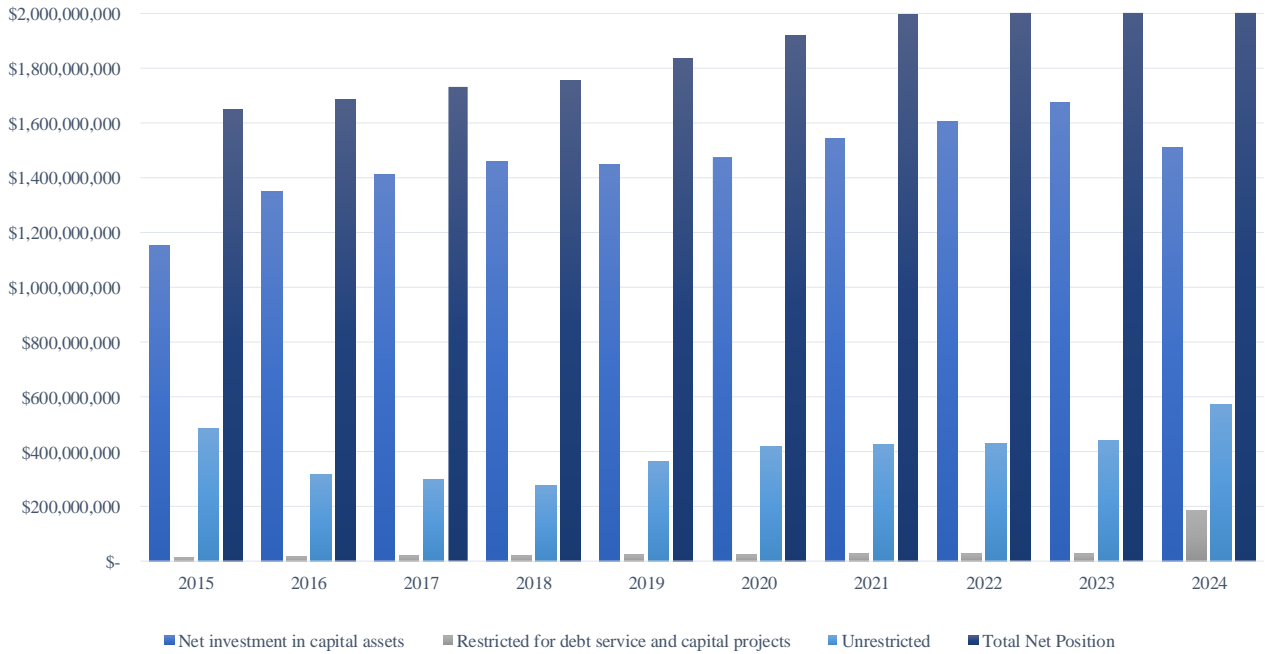
STATISTICAL SECTION

This section of the Clark County Water Reclamation District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	58
Revenue Capacity <i>These schedules contain information to help the reader assess the District's most significant local revenue sources.</i>	61
Debt Capacity <i>This schedule presents information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</i>	64
Operating Information <i>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.</i>	65
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</i>	69

**Clark County Water Reclamation District
Summary of Net Position
Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	Restated 2022	2023	2024
Net investment in capital assets	\$ 1,152,486,134	\$ 1,350,781,565	\$ 1,415,191,745	\$ 1,459,503,457	\$ 1,448,733,351	\$ 1,477,040,054	\$ 1,541,975,538	\$ 1,606,603,002	\$ 1,678,044,240	\$ 1,510,586,855
Restricted for debt service and capital projects	12,882,961	18,101,174	19,010,619	20,548,092	22,840,446	24,063,952	26,273,062	26,193,105	26,914,208	185,049,081
Unrestricted	482,682,569	317,912,961	297,922,927	277,420,165	365,583,196	421,134,617	426,207,758	432,387,183	440,100,352	570,448,847
Total Net Position	\$ 1,648,051,664	\$ 1,686,795,700	\$ 1,732,125,291	\$ 1,757,471,714	\$ 1,837,156,993	\$ 1,922,238,623	\$ 1,994,456,358	\$ 2,065,183,290	\$ 2,145,058,800	\$ 2,266,084,783



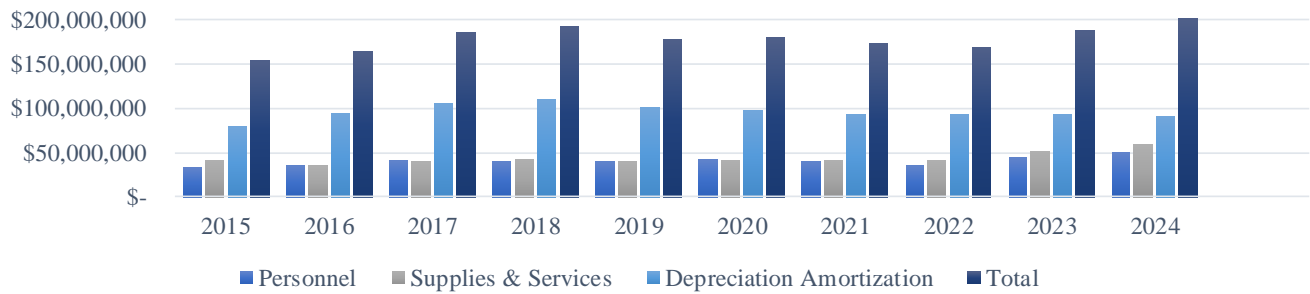
Clark County Water Reclamation District
Changes in Net Position
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	Restated 2022 *	2023	2024
Operating Revenues:										
Service Fees	\$ 142,374,180	\$ 143,142,433	\$ 145,560,887	\$ 147,311,016	\$ 151,779,428	\$ 159,171,820	\$ 162,332,747	\$ 173,745,086	\$ 181,277,137	\$ 189,798,718
Connection Fees	24,013,884	19,481,062	23,329,406	26,788,540	30,463,343	24,942,388	25,948,289	34,747,232	26,648,512	31,833,101
Other	2,454,643	2,441,918	2,327,450	1,914,492	9,075,866	1,875,003	1,934,167	1,673,444	1,646,206	3,294,262
Total Operating Revenues	168,842,707	165,065,413	171,217,743	176,014,048	191,318,637	185,989,211	190,215,203	210,165,762	209,571,855	224,926,081
Non-Operating Revenues:										
Sales tax apportionment	17,078,167	17,717,754	18,544,504	19,623,239	20,802,775	20,167,397	21,887,964	26,752,260	28,525,841	29,401,139
Investment income (loss)	8,570,225	7,433,893	1,157,151	389,193	20,077,092	27,266,630	(285,800)	(27,151,876)	4,372,232	46,116,591
Other non-operating revenue, net	301,798	(1,247,980)	(1,245,427)	73,397	415,761	150,462	546,617	2,094,557	67,579	130,773
Total Non-Operating Revenues	25,950,190	23,903,667	18,456,228	20,085,829	41,295,628	47,584,489	22,148,781	1,694,941	32,965,652	75,648,503
Total Revenues	194,792,897	188,969,080	189,673,971	196,099,877	232,614,265	233,573,700	212,363,984	211,860,703	242,537,507	300,574,584
Operating Expenses:										
Salaries	22,345,906	24,504,234	25,990,677	26,020,723	26,521,049	27,534,545	27,137,305	28,422,465	29,633,055	32,066,668
Benefits	10,747,789	10,628,886	14,182,150	13,804,234	12,393,847	14,436,481	12,562,050	6,561,359	14,145,072	18,004,587
Utilities	11,265,489	10,830,647	10,945,924	10,922,926	10,562,923	9,905,705	9,260,644	10,318,823	11,619,289	14,043,836
Outside services	7,053,570	7,597,305	7,806,781	8,716,571	8,193,959	7,878,695	8,248,855	8,494,970	10,955,237	11,371,373
Chemicals	5,186,742	4,870,869	4,899,456	4,685,017	5,426,854	5,767,417	5,897,429	6,508,310	8,726,810	9,303,873
Maintenance	5,383,928	4,750,373	4,691,915	4,847,207	6,106,445	8,397,330	7,332,311	5,670,355	10,846,715	10,200,236
Other expenses	6,160,644	2,195,097	5,004,245	2,318,255	2,579,808	2,738,015	3,134,198	3,609,737	3,502,701	4,518,229
Supplies	2,777,022	4,158,204	6,179,214	4,608,702	5,103,413	5,282,847	4,966,851	5,673,456	5,282,949	5,760,452
Impairment and other losses	2,997,433	7,579,236	15,671,195	15,164,084	1,025,055	170,506	2,425,513	308,902	534,582	3,214,553
Depreciation	79,492,040	87,181,087	89,755,508	99,673,167	100,262,055	97,699,050	92,289,781	92,370,393	92,164,360	91,619,169
Total Operating Expenses	153,410,563	164,295,938	185,127,065	190,760,886	178,175,408	179,810,591	173,254,937	167,938,770	187,410,770	200,102,976
Interest expense-bonds, net of capitalized interest	12,089,946	9,500,993	4,023,588	13,814,314	16,832,937	16,140,419	10,740,857	13,654,649	13,011,974	28,295,028
Total Expenses	165,500,509	173,796,931	189,150,653	204,575,200	195,008,345	195,951,010	183,995,794	181,593,419	200,422,744	228,398,004
Income (Loss) Before Capital Contributions	29,292,388	15,172,149	523,318	(8,475,323)	37,605,920	37,622,690	28,368,190	30,267,284	42,114,763	72,176,580
Capital Contributions:										
Contributed assets	36,528,528	51,375,748	44,806,273	33,821,746	42,079,359	47,458,939	43,849,545	40,459,648	37,760,747	48,849,403
Total Change in Net Position	\$ 65,820,916	\$ 66,547,897	\$ 45,329,591	\$ 25,346,423	\$ 79,685,279	\$ 85,081,629	\$ 72,217,735	\$ 70,726,932	\$ 79,875,510	\$ 121,025,983

* The District adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), effective June 30, 2023, and retrospectively restated for the period ended June 30, 2022.

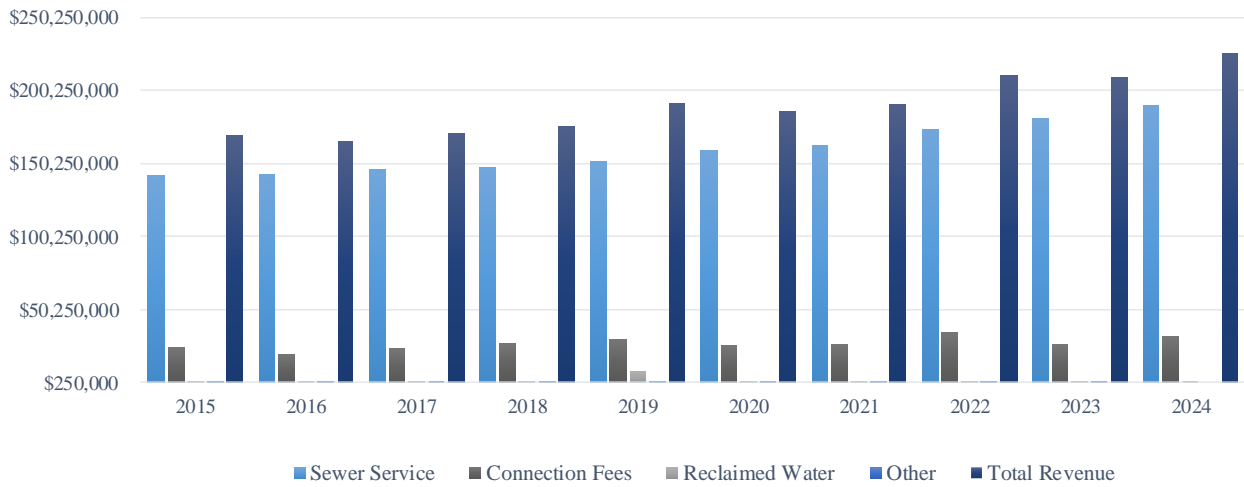
Clark County Water Reclamation District
Operating Expense by Function
Last Ten Fiscal Years

Fiscal Year	Personnel	% of Annual	Supplies and Services	% of Annual	Depreciation Amortization	% of Annual	Total
2015	\$ 33,093,695	21.57%	\$ 40,824,828	26.61%	\$ 79,492,040	51.82%	\$ 153,410,563
2016	35,133,120	21.38%	34,402,495	20.94%	94,760,323	57.68%	164,295,938
2017	40,172,827	21.70%	39,527,535	21.35%	105,426,703	56.95%	185,127,065
2018	39,824,957	20.88%	41,749,539	21.89%	109,186,390	57.24%	190,760,886
2019	38,914,896	21.84%	38,998,457	21.89%	100,262,055	56.27%	178,175,408
2020	41,971,026	23.34%	40,140,515	22.32%	97,699,050	54.33%	179,810,591
2021	39,699,355	22.91%	41,265,801	23.82%	92,289,781	53.27%	173,254,937
2022	34,983,824	20.83%	40,584,553	24.17%	92,370,393	55.00%	167,938,770
2023	43,778,127	23.36%	51,468,283	27.46%	92,164,360	49.18%	187,410,770
2024	50,071,255	25.02%	58,412,552	29.19%	91,619,169	45.79%	200,102,976



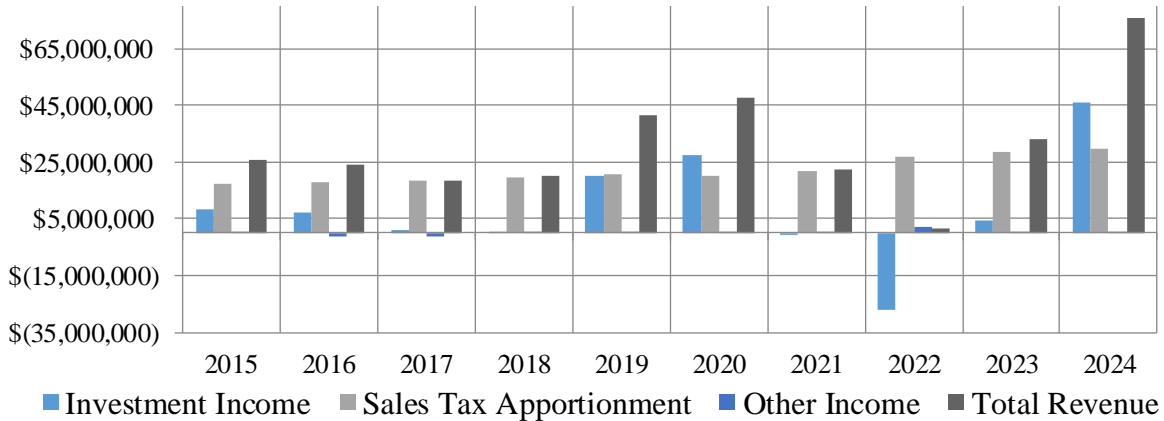
Clark County Water Reclamation District
Operating Revenue by Source
Last Ten Fiscal Years

Fiscal Year	Sewer Service	% of Annual	Connection Fees	% of Annual	Reclaimed Water Sales	% of Annual	Other	% of Other	Total Revenue
2015	\$ 142,374,180	84.32%	\$ 24,013,884	14.22%	\$ 1,121,695	0.66%	\$ 1,332,948	0.79%	\$ 168,842,707
2016	143,142,433	86.72%	19,481,062	11.80%	938,717	0.57%	1,503,201	0.91%	165,065,413
2017	145,560,887	85.02%	23,329,406	13.63%	1,273,879	0.74%	1,053,571	0.62%	171,217,743
2018	147,311,016	83.69%	26,788,540	15.22%	872,361	0.50%	1,042,131	0.59%	176,014,048
2019	151,779,428	79.33%	30,463,343	15.92%	8,020,378	4.19%	1,055,488	0.55%	191,318,637
2020	159,171,820	85.58%	24,942,388	13.41%	539,510	0.29%	1,335,493	0.72%	185,989,211
2021	162,332,747	85.34%	25,948,289	13.64%	674,979	0.35%	1,259,188	0.66%	190,215,203
2022	173,745,086	82.67%	34,747,232	16.53%	543,091	0.26%	1,130,353	0.54%	210,165,762
2023	181,277,137	86.50%	26,648,512	12.72%	438,932	0.21%	1,207,274	0.58%	209,571,855
2024	189,798,718	84.38%	31,833,101	14.15%	490,425	0.22%	2,803,837	1.25%	224,926,081



**Clark County Water Reclamation District
Non-Operating Revenue by Source
Last Ten Fiscal Years**

Fiscal Year	Investment Income	Sales Tax Apportionment	Other Income	Total Revenue
2015	\$ 8,570,225	\$ 17,078,167	\$ 301,798	\$ 25,950,190
2016	7,433,893	17,717,754	(1,247,980)	23,903,667
2017	1,157,151	18,544,504	(1,245,427)	18,456,228
2018	389,193	19,623,239	73,397	20,085,829
2019	20,077,092	20,802,775	415,761	41,295,628
2020	27,266,630	20,167,397	150,462	47,584,489
2021	(285,800)	21,887,964	546,617	22,148,781
2022	(27,151,876)	26,752,260	2,094,557	1,694,941
2023	4,372,232	28,525,841	67,579	32,965,652
2024	46,116,591	29,401,139	130,773	75,648,503



**Clark County Water Reclamation District
Ten Largest Customers
Current Year and Ten Years Ago**

Customer	2024				2014			
	Rank	ERU's Billed 7/1/2024	Percentage of Total ERU's	Dollar Amount Billed 7/1/2024	Rank	ERU's Billed 7/1/2014	Percentage of Total ERU's	Dollar Amount Billed 7/1/2014
MANDALAY BAY RESORT CASINO	1	10,293.48	1.40%	\$ 2,816,416	2	8,654.08	1.29%	\$ 1,914,598
CITY CENTER	2	9,988.26	1.35%	2,732,544	1	9,694.16	1.45%	2,145,599
MGM GRAND HOTEL	3	8,674.57	1.18%	2,373,825	3	8,255.49	1.23%	1,828,022
CAESARS PALACE	4	7,745.14	1.05%	2,118,644	4	7,593.34	1.13%	1,683,678
FONTAINEBLEAU LAS VEGAS	5	7,209.35	-	1,971,768	-	-	-	-
RESORTS WORLD	6	7,053.92	0.96%	1,760,620	-	-	-	-
BELLAGIO HOTEL & CASINO	7	6,981.75	0.95%	1,766,079	6	6,893.25	1.03%	1,527,596
VENETIAN HOTEL CASINO	8	6,845.84	0.93%	1,706,487	5	7,426.92	1.11%	1,643,434
WYNN LAS VEGAS HOTEL CASINO	9	6,509.75	0.88%	1,650,753	8	5,508.55	0.82%	1,219,502
COSMOPOLITAN LAS VEGAS	10	5,452.27	0.74%	1,386,018	9	5,187.07	-	1,150,375
NELLIS AIR FORCE BASE	-	-	0.00%	-	7	5,581.82	-	1,252,967
MIRAGE HOTEL & CASINO	-	-	0.00%	-	10	4,988.60	0.74%	1,103,597

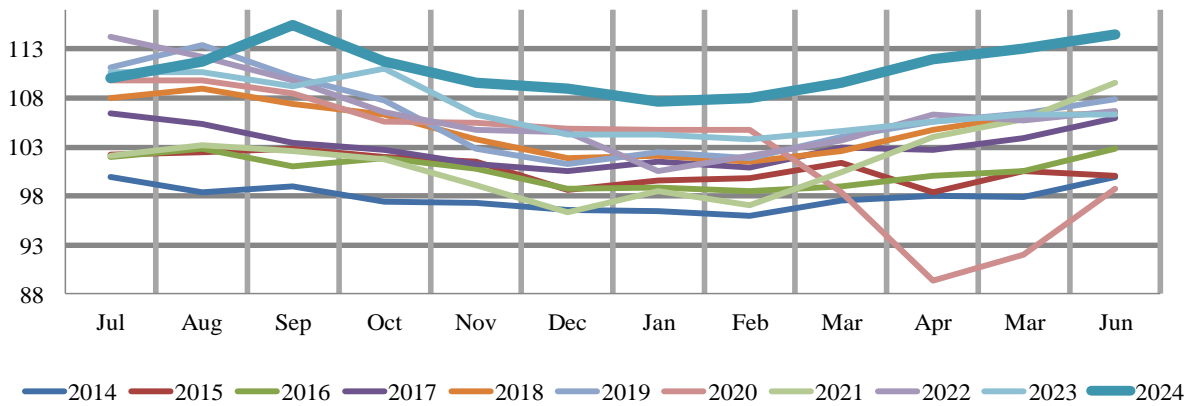
Clark County Water Reclamation District
Ratios of Outstanding Debt
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Issuance Premiums / Discounts	Subscription IT Liabilities	Total Debt	Percentage of Personal Income *	Per Capita	Restricted Resources	Net Bonded Debt	Percentage of Personal Income *	Per Capita
2015	\$ 464,961,090	\$ 2,607,155	\$ -	\$ 467,568,245	52%	\$ 217.71	\$12,536,906	\$455,031,339	50%	\$ 211.87
2016	478,124,759	11,973,606	-	490,098,365	52%	222.25	17,259,673	472,838,692	50%	214.42
2017	463,437,944	41,961,762	-	505,399,706	51%	224.78	17,505,044	487,894,662	50%	217.00
2018	449,814,449	39,963,582	-	489,778,031	47%	214.38	18,401,792	471,376,239	45%	206.33
2019	435,097,748	37,965,402	-	473,063,150	42%	203.40	20,082,529	452,980,621	40%	194.76
2020	419,334,986	35,967,222	-	455,302,208	38%	191.57	21,528,878	433,773,330	36%	182.51
2021	402,858,227	29,257,999	-	432,116,226	32%	185.21	21,925,421	410,190,805	31%	175.81
2022	385,634,444	26,226,908	4,227,748	416,089,100	30%	181.74	21,376,886	394,712,214	29%	172.40
2023	371,030,523	23,343,512	4,275,062	398,649,097	29%	177.50	22,050,429	376,598,668	27%	167.68
2024 *	688,803,258	58,359,296	3,321,672	750,484,226	55%	334.16	180,135,820	570,348,406	42%	253.95

* Total Personal Income and Population are not available for 2023 and 2024; therefore, numbers from 2022 are used to calculate the percentage.
Details regarding the District's outstanding debt can be found in the notes to the financial statements.

**Clark County Water Reclamation District
Flamingo Water Resource Center Average Daily Flows
(Per Million Gallons)
Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
July	102.19	102.01	106.49	108.04	111.17	109.74	102.12	114.18	110.64	110.07
August	102.46	102.79	105.37	108.94	113.39	109.74	103.15	112.23	110.64	111.75
September	102.86	100.98	103.39	107.38	110.11	108.48	102.59	109.79	109.22	115.43
October	102.04	101.85	102.70	106.37	107.70	105.63	101.73	106.58	110.94	111.72
November	101.48	100.75	101.31	103.75	102.86	105.45	99.13	104.75	106.35	109.60
December	98.66	98.69	100.58	101.86	101.31	104.93	96.37	104.50	104.32	109.01
January	99.55	98.82	101.50	102.07	102.48	104.74	98.48	100.59	104.30	107.69
February	99.77	98.45	100.91	101.52	101.90	104.72	97.05	102.07	103.76	107.97
March	101.36	98.93	102.93	102.61	104.00	98.35	100.42	103.72	104.62	109.56
April	98.42	100.04	102.69	104.73	105.63	89.42	104.07	106.28	105.60	111.99
May	100.52	100.52	103.96	106.20	106.42	92.00	105.77	105.74	106.36	113.01
June	100.09	102.83	105.98	106.46	107.84	98.74	109.55	106.70	106.34	114.45
Annual Average	100.78	100.56	103.15	104.99	106.23	102.66	101.70	106.43	106.92	111.02

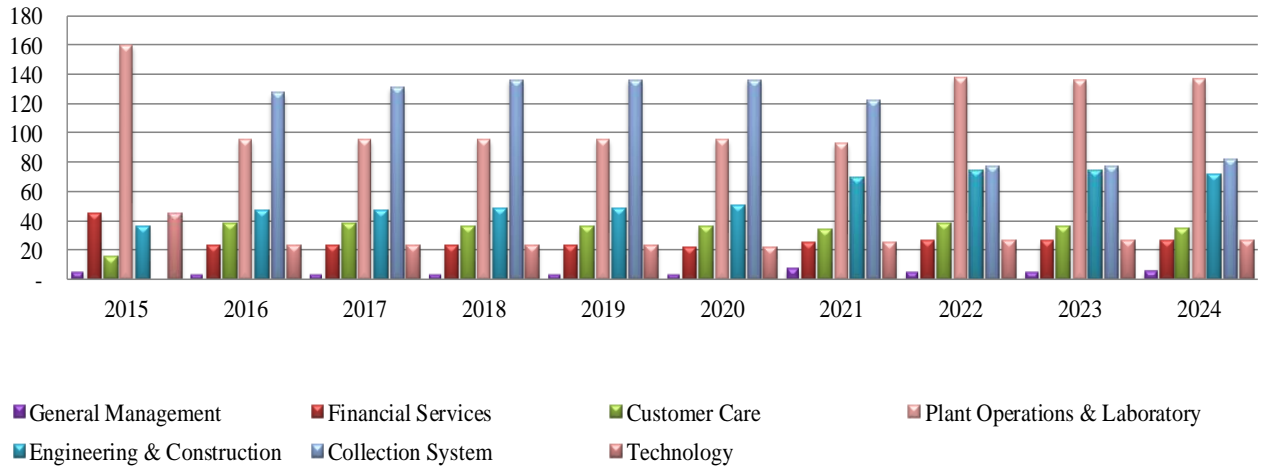


**Schedule of Insurance Policies in Force
Year Ended June 30, 2024**

<u>Amount of Policy</u>	<u>Description of Risk Covered</u>	<u>Insurer</u>	<u>Expiration Date</u>
Statutory Limit \$5,000,000	Excess Workmen's Compensation (\$750,000 SIR) Employer's Liability	Safety National Casualty Corporation	September 1, 2024
\$50,000,000 any one site	Builders Risk	Great American Ins. Co of New York	January 1, 2025
\$5,000,000 Each Occurance \$5,000,000 Aggregate \$5,000,000 Products & Completed work Law Enf. Liability Not Covered Edu and Employment Practices Not Covered \$5,000,000 Public Official & Employ. Prac. \$5,000,000 Automobile Liability \$1,000,000 Damage to Rented Premises	Comprehensive General Liability (\$250,000 SIR)	Safety National	September 1, 2024
\$5,000,000	Accounts Receivable (\$100,000 Deductible)	Travelers Indemnity Company	September 1, 2024
\$1,000,000	EDP - Computer System (\$250,000 Deductible)	Travelers Indemnity Company	September 1, 2024
\$1,000,000	Cyber Liability Aggregate Limit (\$100,000 Deductible)	Tokyo Marine	September 1, 2024
\$2,000,000	Employed Lawyers Professional Liability	Intact Insurance	September 1, 2024
\$5,000,000	Excess Worker's Comp and Employers' Liability (\$750,000 SIR)	Safety National	September 1, 2024
\$5,000,000 Per Occurrence \$500,000 Response Consultant Coverage	Active Assailant	Lloyd America Inc.	September 1, 2024

Clark County Water Reclamation District
Budget Approved Full -Time Positions by Service Center
Last Ten Fiscal Years

Service Centers	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Management & Strategic Services	3	3	7	6	5	5	6	9	13	13
Financial Services	23	22	25	26	26	26	26	27	27	27
Technology Services	19	20	21	25	25	26	26	30	31	34
Customer Care	36	36	34	34	38	36	35	34	36	38
Plant Operations & Laboratory	96	96	93	95	138	136	137	135	140	98
Asset Management*	0	0	0	0	0	0	0	0	0	45
Engineering & Construction	48	51	69	69	74	74	72	74	75	75
Collection System	136	136	122	122	77	77	82	79	87	88
Total	361	364	371	377	383	380	384	388	409	418

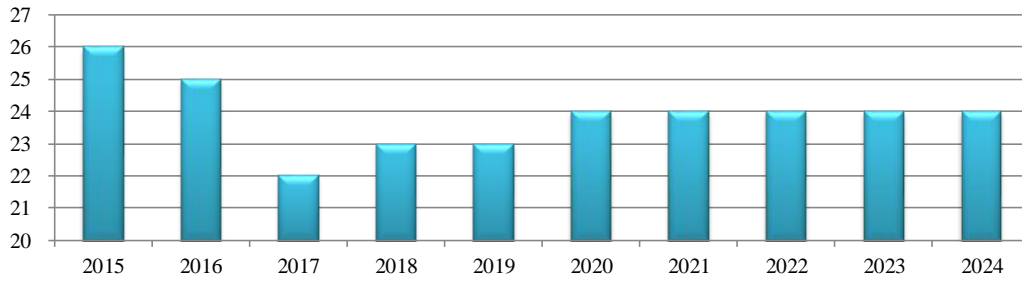


*Asset Management included in Plant Operations & Laboratory prior to 2024

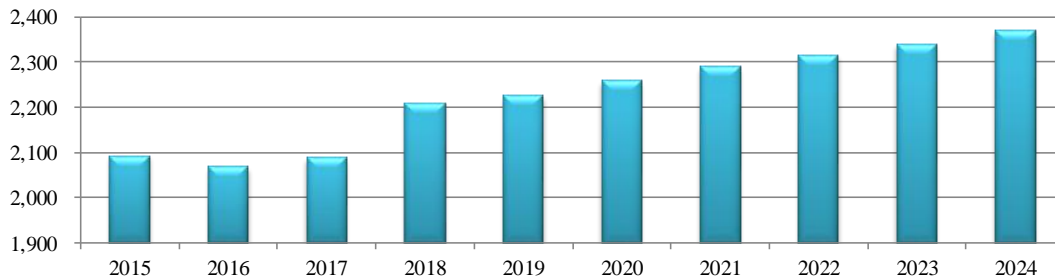
**Clark County Water Reclamation District
Capital Asset Statistics by Function
Last Ten Fiscal Years**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Sewer Lift/Pump Station Total	26	25	22	23	23	24	24	24	24	24
Miles of Sewer Pipelines	2,091	2,067	2,087	2,209	2,225	2,258	2,289	2,314	2,338	2,367
Sewer Manhole Total	43,716	43,822	45,578	46,532	47,308	48,234	49,067	49,759	50,357	51,209

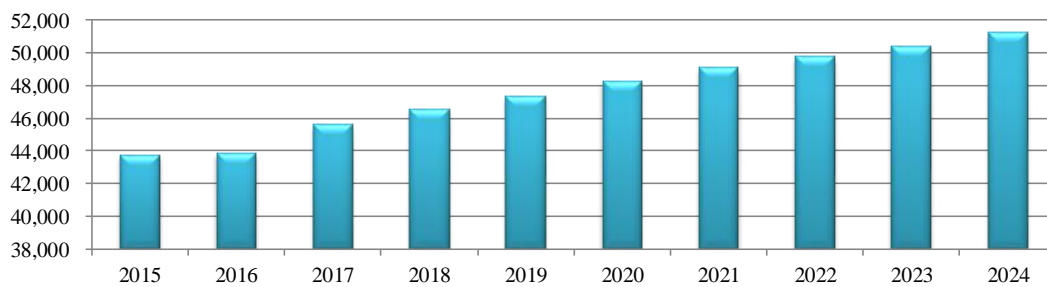
Sewer Lift/Pump Station Total



Miles of Sewer Pipelines



Sewer Manhole Total



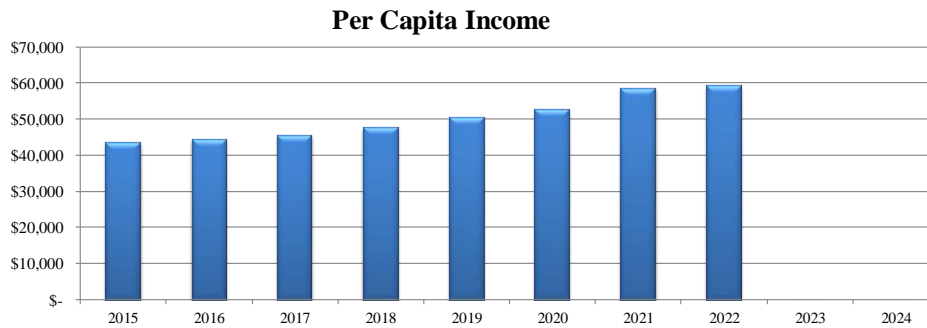
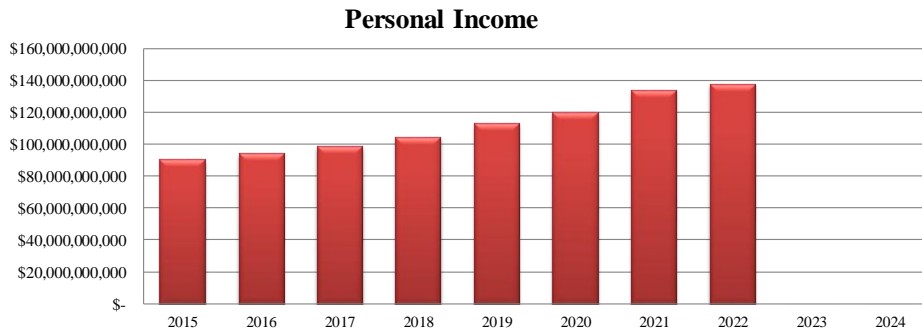
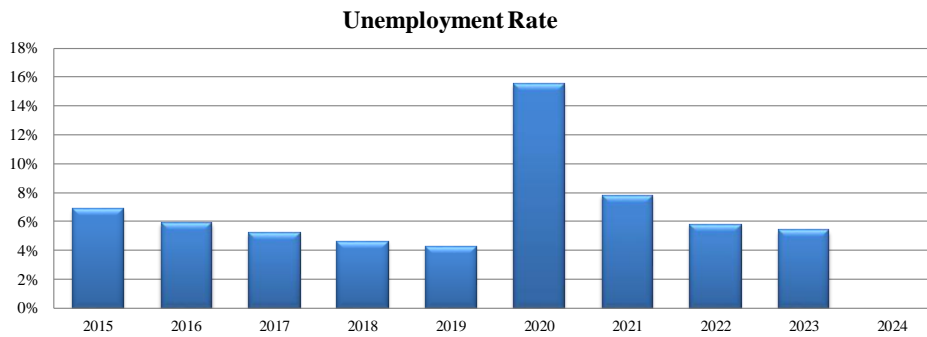
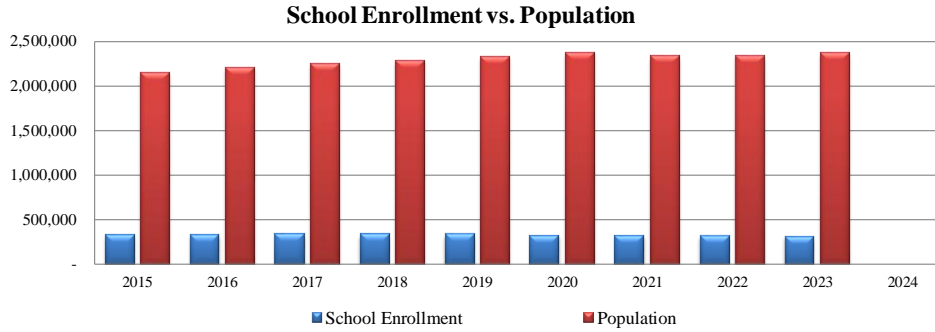
**Clark County Water Reclamation District
Clark County Demographic Statistics
Last Ten Fiscal Years**

Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capita Income ⁽²⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
2015	2,147,641	90,220,176,000	43,421	325,990	6.9%
2016	2,205,207	93,775,241,000	44,318	326,952	5.9%
2017	2,248,390	98,136,446,000	45,547	334,900	5.2%
2018	2,284,616	104,221,369,000	47,466	335,333	4.6%
2019	2,325,798	112,745,711,000	50,382	331,921	4.3%
2020	2,376,683	119,563,676,000	52,562	319,293	15.5%
2021	2,333,092	134,011,250,000	58,388	320,245	7.8%
2022	2,331,934	137,403,632,000	59,150	314,372	5.8%
2023	2,371,586	not available	not available	309,397	5.4%
2024	not available	not available	not available	not available	not available

Source:

- (1) University of Nevada, Las Vegas Center For Business & Economic Research (Las Vegas/Clark County Economic Data)
- (2) University of Nevada, Las Vegas Center For Business & Economic Research (Las Vegas/Clark County Economic Data)
- (3) Nevada Department of Education/DataCenter/Enrollment Student counts as of first school day in October
- (4) Bureau of Labor Statistics (annual averages).

Clark County Demographic Statistics Charts



Source Population-Clark County Department of Comprehensive Planning
 Personal Income-University of Nevada, Las Vegas (data revisions per Bureau of Economic Analysis)
 Per Capita Income-University of Nevada, Las Vegas (data revisions per Bureau of Economic Analysis)
 School Enrollment-Clark County School District
 Unemployment Rate-Bureau of Labor Statistics (annual averages)
 * 2024 School Enrollment, Population, and Unemployment information is not yet available
 * 2023 Personal Income and Per Capita Income information are not yet available

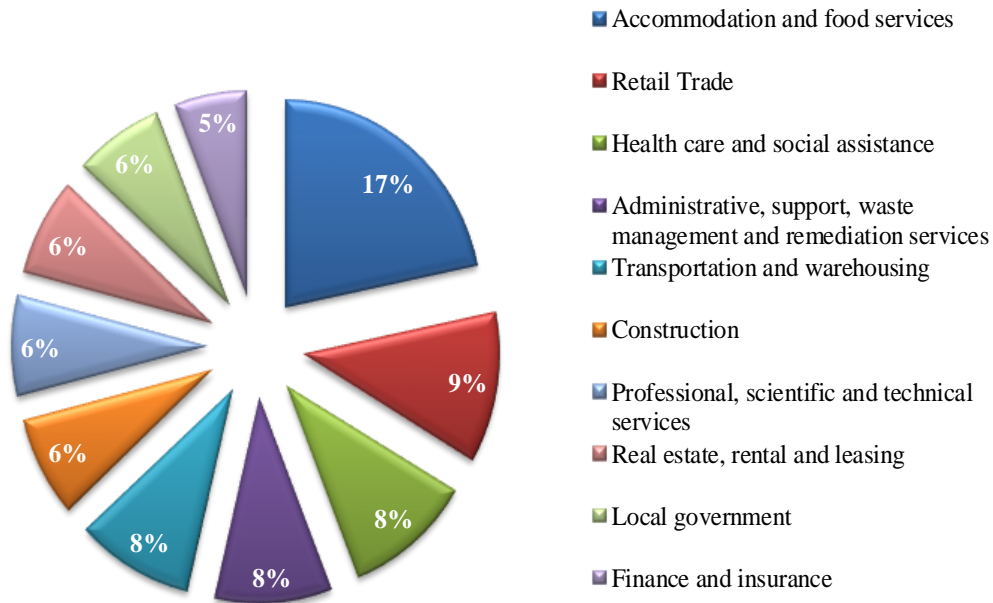
**Clark County Water Reclamation District
Clark County Principal Industries
Current Year and Ten Years Ago**

Industry	2024			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Accommodation and food services	263,173	1	17.28%	266,144	1	22.77%
Retail Trade	141,831	2	9.31%	124,100	2	10.62%
Health care and social assistance	127,645	3	8.38%	87,939	3	7.52%
Administrative, support, waste management and remediation services	116,287	4	7.63%	86,039	-	7.36%
Transportation and warehousing	115,664	5	7.59%	44,366	4	3.80%
Finance and insurance	95,406	6	6.26%	61,773	8	5.28%
Real estate, rental and leasing	95,228	7	6.25%	68,624	5	5.87%
Construction	93,558	8	6.14%	56,284	10	4.82%
Professional, scientific and technical services	88,272	9	5.80%	62,955	7	5.39%
Local government	72,345	10	4.75%	66,331	6	5.67%
Other services (except government)	-	-	-	54,599	9	4.67%
Total for Principal Industries	1,209,409		79.41%	979,154		83.77%

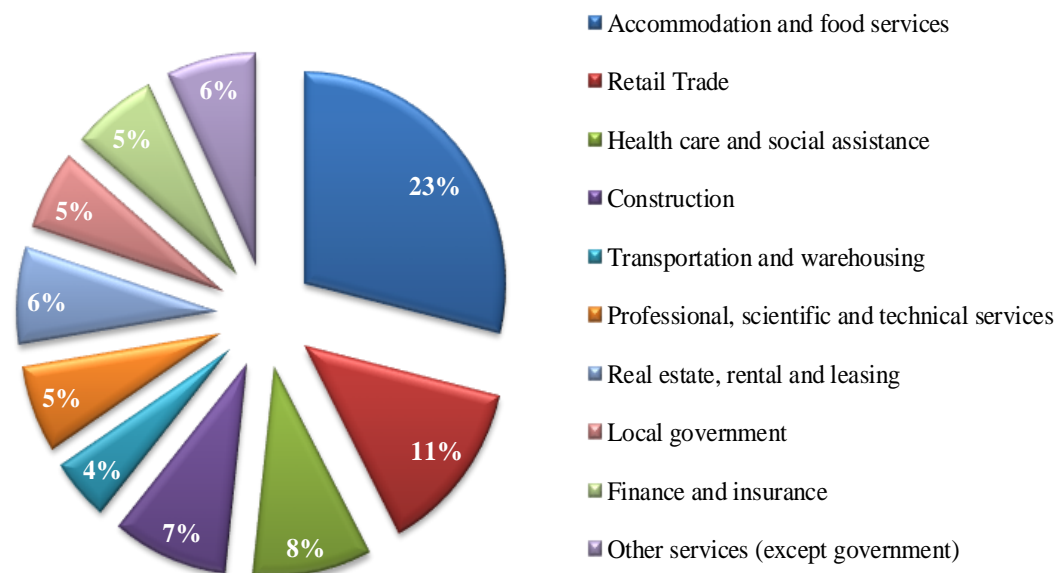
Source: United States Bureau of Economic Analysis; CAEMP25N Total Full-Time and Part-Time Employment by NAICS Industry 1 for Clark County
2024 data is from 2022 as this is the most recent data available.

Principal Industries Charts

2024 Clark County Principal Industries



2014 Clark County Principal Industries



Technical Terms

AAL	Actuarial Accrued Liability
Annual Report	Annual Comprehensive Financial Report
ARC	Annual Required Contribution
ARRA	American Reinvestment and Recovery Act
CAFB	Creech Air Force Base
CBER	Center for Business and Economic Research
COUNTY PLAN	Clark County Retiree Health Program
CWC	Clean Water Coalition
DBWRC	Desert Breeze Water Resource Center
EMMA	Electronic Municipal Market Access
EPC	Employer-Pay Contribution
EPO	Exclusive Provider Organization
ERU	Equivalent Residential Unit
FASB	Financial Accounting Standards Board
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
HPN	Health Plan of Nevada
LVVWD	Las Vegas Valley Water District
MD&A	Management Discussion and Analysis
MGD	Million Gallons per Day
N/A	Not Applicable
NDI	Nevada Department of Insurance
NRS	Nevada Revised Statute
O&M	Operations and Maintenance
OPEB	Other Postemployment Benefits
PEBP	Public Employee Benefit Program
PERS	Public Employees Retirement System
SDA	System Development Approval
Self-Funded Plan	Clark County Self-Funded Group Medical and Dental Benefits Plan
SIR	Self-insured Retention
The Board	Board of Trustees
The County	Clark County, Nevada
The District	Clark County Water Reclamation District
The System	State of Nevada Public Employees' Retirement System
UAAL	Unfunded Actuarial Accrued Liability
UNLV	University of Nevada Las Vegas
USAF	United States Air Force

A stylized graphic of three overlapping waves. The top wave is light blue, the middle wave is light teal, and the bottom wave is a darker blue. The waves are curved and layered, creating a sense of movement.

Compliance Section

The
"Clean
Water Team"



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

Honorable Clark County Water Reclamation District Board of Trustees
Clark County Water Reclamation District, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Clark County Water Reclamation District (the District), a component unit of Clark County, Nevada, which comprise the District's statements of net position as of June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, P.C.

Las Vegas, Nevada
October 31, 2024