

**WALKER RIVER
IRRIGATION DISTRICT
NEVADA**

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

WALKER RIVER IRRIGATION DISTRICT, NEVADA
JUNE 30, 2023

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WALKER RIVER IRRIGATION DISTRICT, NEVADA

JUNE 30, 2023

DIRECTORS

Jim Snyder, President

Marcus Masini, Vice-President

Richard Nuti, Treasurer

Dennis Acciari

David Giorgi

MANAGER

Robert C. Bryan

OFFICE MANAGER

Jessica Halterman



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Walker River Irrigation District, Nevada

Opinions

We have audited the accompanying financial statements of the business-type activities, and each major fund of the Walker River Irrigation District, Nevada, as of and for the year ending June 30, 2023, and the related notes to the financial statements, which collectively comprise the Walker River Irrigation District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and each major fund and the aggregate remaining fund information of the Walker River Irrigation District as of June 30, 2023, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Walker River Irrigation 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 these 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 Walker River Irrigation 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 Responsibility for the Audit of 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Walker River Irrigation 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 Walker River Irrigation 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 on pages 5-9; the Schedule of the District's Proportionate Share of the Net Pension Liability, page 33; and the Schedule of the District's Other Post-Employment Benefits Liability, page 34 as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Prior-Year Comparative Information

We have previously audited the Walker River Irrigation District's 2022 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the business-type activities, and each major fund, other than the General Operations Fund, in our report dated November 1, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived, restated for the changes in accounting principles described above.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Walker River Irrigation District's basic financial statements. The supplementary information comprised of the Federal Grants and the Ditch Company Schedules are the responsibility of management and were derived from the related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information comprised of the Federal Grants and the Ditch Company Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2024, on our consideration of the Walker River Irrigation 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 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 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 Walker River Irrigation District's internal control over financial reporting and compliance.

A handwritten signature in dark ink that reads "Sciarani & Co." in a cursive script.

Yerington, Nevada
February 29, 2024

**WALKER RIVER IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

As financial management of the Walker River Irrigation District, Nevada (the "District"), we offer the readers of these financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented herein in conjunction with the financial statements as a whole.

Financial Highlights

Operating revenues for the Walker River Irrigation District were \$2,365,470 for fiscal year 2023 compared to \$1,843,440 in year 2022. This was an increase of \$522,030 over the prior year.

Operating expenses for the Walker River Irrigation District were \$2,269,013 for fiscal year 2023 compared to \$2,429,358 in year 2022. This was a decrease of \$160,345 over the prior year. Legal expenses were \$495,953 in year 2023 compared to \$528,176 in year 2022 which reflects the continued cost of defending the C-125 water rights allotment.

Funding from the National Fish and Wildlife Foundation continued during the current year. Total grant funding was \$489,102 in year 2023 compared to \$510,474 in year 2022. The water leasing program incurred costs totaling \$479,507 in year 2023 compared to \$435,560 in year 2022. The BOR Project on the Campbell Ditch incurred costs of \$20,753 on planned improvements to the ditch. Total costs required a match between the ditch company and BOR.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's financial statements, which is comprised of the basic financial statements and the notes to the financial statements. The notes provide additional information that is essential to full understanding of the data provided in the basic financial statements.

Required Financial Statements

The financial statements of the District report information of the District using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Statement of Net Position includes all of the District's assets and liabilities and provides information about the nature and amounts of investment in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses, non-operating revenues and expense, and capital contributions are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine whether the District has successfully recovered all of its cost through its assessments and other charges, profitability and credit worthiness.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, non-capital financing, capital financing, and investing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balances during the reporting period.

Financial Analysis of the District

One of the most important questions asked about the District's finances is; "Is the District, as a whole, better off or worse off as a result of this year's activities?" The Statement of Net Position, and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District's activities in a way that will help answer this question. These two statements report the net position of the District and the changes in them. One can think of the District's net position – the difference between assets and liabilities – as one way to measure financial health or financial position. Over time, increases and decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation.

Net Position

Table 1
Condensed Statements of Net Position

	FY 2023	FY 2022	Dollar Change	Percent Change
Current Assets	\$ 2,510,249	\$ 2,681,912	\$(171,663)	-6.4%
Capital assets	9,371,039	9,621,978	(250,939)	
Non-Current Assets	809,282	738,654	70,628	9.6%
Total Assets	12,690,570	13,042,544	(351,974)	-2.7%
Deferred Outflow of Resources	404,917	385,061	19,856	5.2%
Current Liabilities	527,036	754,797	(227,761)	-30.2%
Noncurrent Liabilities	1,051,747	644,743	407,004	63.1%
Total Liabilities	1,578,783	1,399,540	179,243	12.8%
Deferred Inflow of Resources	917,569	1,176,006	(258,437)	-22.0%
Net Investment in Capital Assets Restricted for Improvement	9,371,039	9,621,978	(250,939)	-2.6%
Districts	315,858	155,589	160,269	103.0%
Unrestricted Net Position	912,238	1,074,492	(162,254)	-15.1%
Total Net Position	\$ 10,599,135	\$ 10,852,059	\$(252,924)	-2.3%

Net position decreased \$252,924 to \$10,599,135 in 2023 from \$10,852,059 in 2022.

Table 2
Condensed Statements of Revenues,
Expenses, and Changes in Net Position

	FY 2023	FY 2022	Dollar Change	Percent Change
Revenues				
Operating revenues	\$ 2,365,470	\$ 1,843,440	\$ 522,030	28.3%
Non-operating revenues	592,791	505,737	87,054	17.2%
Total Revenues	2,958,261	2,349,177	609,084	25.9%
Expenses				
Depreciation expense	267,896	283,842	(15,946)	-5.6%
Other operating expenses	2,001,117	2,145,516	(144,399)	-6.7%
Non-operating expenses	942,172	466,617	475,555	101.9%
Total Expenses	3,211,185	2,895,975	315,210	10.9%
Income (Loss) before Capital Contributions	(252,924)	(546,798)	293,874	-53.7%
Capital contributions	-	-	-	0.0%
Change in Net Position	(252,924)	(546,798)	293,874	-53.7%
Beginning Net Position	10,852,059	11,398,857	(546,798)	-4.8%
Ending Net Position	\$ 10,599,135	\$ 10,852,059	\$ (252,924)	-2.3%

While the Statement of Net Position shows the change in net position, the Statement of Activities provides answers as to the nature and scope of these changes. As can be seen in Table 2 above, the decrease in net position was \$252,924 in fiscal year 2023 while year 2022 had a decrease of \$546,798.

Capital Assets and Debt Administration

During fiscal year ending June 30, 2023, the District had capital additions of \$44,642 on the purchase of a new pickup by the equipment fund. Depreciation expense of \$268,896 was recognized during the current fiscal year. The general fund had depreciation expense of \$32,875, the reservoir fund had depreciation expense of \$160,011 while the equipment fund's depreciation expense was \$62,641. For additional information, see Note 3 – Changes in Capital Assets.

The District currently does not have any outstanding debt obligations at June 30, 2023. The District's accrued compensated liability was \$47,217 in year 2023 compared to \$43,385 in year 2022.

The District's net pension liability was \$858,289 in year 2023 compared to \$419,439 in year 2022 based on an actuarial valuation performed. The District's other post-employment liability was \$146,241 in year 2023 compared to \$181,919 in year 2022 based on an actuarial valuation performed.

Financial Highlights

- The District loss in net position was \$252,924 in year 2023 compared to a loss of \$546,798 in year 2022. The most significant losses were incurred in the general fund by a total of \$137,169, the reservoir fund loss of \$317,091.
- Operating revenues for the Walker River Irrigation District were \$2,365,470 for fiscal year 2023 compared to \$1,843,440 in year 2022.
- Assessment revenue for year 2023 was \$1,692,590 compared to \$1,413,871 in year 2022 amongst the various funds or an increase of \$278,719.
- Total operating expenses for year 2023 totaled \$2,269,013 compared to \$2,429,358 in year 2022 reflecting a decrease of \$160,345. Depreciation expense of \$267,896 and \$283,842, respectfully, are included in the above expenses.
- The District incurred \$432,317 in flood mitigation expenses due to extensive flooding in conjunction with the abnormal spring runoff. The District has applied for FEMA grant funding to cover said mitigation costs. The District has not received any communication from FEMA that the mitigation expenses will be covered under FEMA grant funding.

Grants and Programs

The District was awarded an ongoing federal grant through the National Fish and Wildlife Foundation to develop and implement a volumetric measurement system of irrigation water diversions from the Walker River by improving water gauges. In order to achieve this goal, remote monitoring and digital archiving capabilities to enhance the information management was required to be designed and eventually implemented by the use of wireless electronic gauging devices at the headworks of certain ditch diversions. Bureau of Reclamation (BOR) has awarded grants for improvements to the Campbell Ditch. The Natural Resources Conservation Service through the US Department of Agriculture choose to fund a project at 100% for the planning and study of the Walker River watershed in order to provide studied results in case future funding for reclamation work is granted for the Walker River watershed.

- During the year 2023, the Water Leasing Programs incurred costs of \$489,102 compared to \$477,787 in year 2022.
- During the year 2023, the (BOR) Project on the Campbell Ditch incurred costs of \$20,753 on planned improvements to the ditch. Total costs required a match between the ditch company and BOR.
- Grant receivable totaling \$285,834 have been record on claims for reimbursement with the federal agencies.

Budgetary Highlights

The District adopts an informal annual budget, using the modified accrual basis of accounting, at an April or May board meeting each year. The budget provides proposed expenses and the means for financing them. There is no legal mandate for the District to adopt a budget.

Economic Factors and Next Year's Budget

The Board of Directors and management of the District considered many factors when setting the fiscal year 2024 budget, assessments and other charges. Some of those factors are the local economy and the impact that taxes, charges and rates have on the water users in conjunction with current and future objectives of the District. By maintaining low assessment rates, the District helps maintain these objectives without burdening the assessment base.

Requests for Information

This financial report is designed to provide the water users and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional financial information should be directed to Walker River Irrigation District, 410 N. Main Street, Yerington, NV 89447.

WALKER RIVER IRRIGATION DISTRICT, NEVADA
STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)
(Page 1 of 2)

	<u>General</u>	<u>Reservoirs</u>	<u>Federal Grants</u>	<u>Water Distribution</u>	<u>Equipment</u>
ASSETS					
Current Assets					
Cash - Note 2	\$ 170,992	\$ 984,362	\$ -	\$ 18,781	\$ -
Delinquent assessments receivable (net of allowance for doubtful assessments of \$6,751	20,660	6,389	-	-	5,056
Accounts receivable	25,598	55,990	-	-	94,825
Grants receivable	-	-	285,834	-	-
Prepaid Expenses	-	-	-	-	-
Due from private ditch companies	-	-	-	-	-
Expense reimbursement receivable from the U.S. Water Commissioners, Walker River	11,172	-	-	-	-
Due from other funds - Note 7	387,219	-	-	-	-
Total Current Assets	<u>615,641</u>	<u>1,046,741</u>	<u>285,834</u>	<u>18,781</u>	<u>99,881</u>
Capital Assets - Note 3					
Land and Improvements:					
Reservoirs, Bridgeport and Topaz Lake	-	936,004	-	-	-
East drain return canal	8,381	-	-	-	-
Local Improvement Districts	-	-	-	-	-
Irrigation Facilities:					
Reservoirs, Bridgeport and Topaz Lake Improvements	- 212,111	8,923,818 125,719	- -	- 156,870	- -
Other Capital Assets					
Central facilities	220,739	-	-	-	-
District well	126,028	-	-	-	-
Vehicles and equipment	149,511	-	-	-	1,744,425
Furniture, fixtures, and office equipment	130,510	-	-	-	-
	847,280	9,985,541	-	156,870	1,744,425
Less: Accumulated depreciation	(665,314)	(2,139,823)	-	(41,832)	(1,226,850)
Total Capital Assets	<u>181,966</u>	<u>7,845,718</u>	<u>-</u>	<u>115,038</u>	<u>517,575</u>
Non-Current Assets					
Leases Receivable - Note 3	<u>758,821</u>	<u>50,461</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>1,556,428</u>	<u>8,942,920</u>	<u>285,834</u>	<u>133,819</u>	<u>617,456</u>
Deferred Outflows of Resources					
Post measurement date					
pension contributions - Note 5	31,319	-	-	-	23,058
Deferred pension outflows - Note 5	224,374	-	-	-	115,723
OPEB deferred outflows - Note 6	10,443	-	-	-	-
Total Deferred Outflow of Resources	<u>266,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,781</u>

Local Improvement Districts						
No. 1	No. 2	No. 3	No. 4	Ditch	Totals	
(Smith Valley)	(River West)	(River East)	(Saroni)	Companies	2023	2022
\$ 112,881	\$ -	\$ 192,236	\$ -	\$ 923	\$ 1,480,175	\$ 1,572,885
163	349	1,096	954	-	34,667	127,405
-	-	-	40,961	66,880	284,254	181,367
-	-	-	-	-	285,834	222,849
-	-	-	26,928	-	26,928	18,907
-	-	-	-	-	-	8,210
-	-	-	-	-	11,172	-
-	-	-	-	-	387,219	550,289
113,044	349	193,332	68,843	67,803	2,510,249	2,681,912
-	-	-	-	-	936,004	936,004
-	-	-	-	-	8,381	8,381
16,212	21,013	172,357	-	-	209,582	209,582
-	-	-	-	-	8,923,818	8,923,818
-	-	-	612,641	-	1,107,341	1,095,585
-	-	-	-	-	220,739	220,739
-	-	-	-	-	126,028	126,027
-	-	-	-	-	1,893,936	1,888,736
-	-	-	-	-	130,510	130,510
16,212	21,013	172,357	612,641	-	13,556,339	13,539,382
-	(650)	(7,247)	(103,584)	-	(4,185,300)	(3,917,404)
16,212	20,363	165,110	509,057	-	9,371,039	9,621,978
-	-	-	-	-	809,282	738,654
129,256	20,712	358,442	577,900	67,803	12,690,570	13,042,544
-	-	-	-	-	54,377	49,253
-	-	-	-	-	340,097	325,365
-	-	-	-	-	10,443	10,443
-	-	-	-	-	404,917	385,061

(continued)

The accompanying notes are an integral part of these financial statements

WALKER RIVER IRRIGATION DISTRICT, NEVADA
STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)
(Page 2 of 2)

	<u>General</u>	<u>Reservoirs</u>	<u>Federal Grants</u>	<u>Water Distribution</u>	<u>Equipment</u>
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 25,153	\$ 64,509	\$ 25,967	\$ -	\$ 9,952
Due to other funds - Note 7	-	-	259,867	-	12,803
Assessments payable, U.S. Water Commissioners, Walker River	<u>7,186</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>32,339</u>	<u>64,509</u>	<u>285,834</u>	<u>-</u>	<u>22,755</u>
Long-term Liabilities - Note 4					
Accrued compensated absences	34,839	-	-	-	12,378
Other post-employment benefits liability	146,241	-	-	-	-
Net pension liability	<u>584,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>273,911</u>
Total Noncurrent Liabilities	<u>765,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>286,289</u>
Total Liabilities	<u>797,797</u>	<u>64,509</u>	<u>285,834</u>	<u>-</u>	<u>309,044</u>
DEFERRED INFLOW OF RESOURCES					
Advance lease payments	-	17,880	-	-	-
Deferred lease liability - Note 3	758,821	50,461	-	-	-
Deferred revenue	21,305	-	-	-	24,937
Deferred pension inflows - Note 5	<u>29,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,028</u>
Total Deferred Inflow of Resources	<u>809,263</u>	<u>68,341</u>	<u>-</u>	<u>-</u>	<u>39,965</u>
NET POSITION					
Invested in capital assets, net of related debt	181,966	7,845,718	-	115,038	517,575
Restricted	-	-	-	18,781	-
Unrestricted	<u>33,538</u>	<u>964,352</u>	<u>-</u>	<u>-</u>	<u>(110,347)</u>
Total Net Position	<u>\$ 215,504</u>	<u>\$ 8,810,070</u>	<u>\$ -</u>	<u>\$ 133,819</u>	<u>\$ 407,228</u>

Local Improvement Districts					Totals	
No. 1 (Smith Valley)	No. 2 (River West)	No. 3 (River East)	No. 4 (Saroni)	Ditch Companies	2023	2022
\$ -	\$ -	\$ -	\$ 166	\$ 6,884	\$ 132,631	\$ 81,466
-	11,227	-	42,403	60,919	387,219	550,289
-	-	-	-	-	7,186	123,042
-	11,227	-	42,569	67,803	527,036	754,797
-	-	-	-	-	47,217	43,385
-	-	-	-	-	146,241	181,919
-	-	-	-	-	858,289	419,439
-	-	-	-	-	1,051,747	644,743
-	11,227	-	42,569	67,803	1,578,783	1,399,540
-	-	-	-	-	17,880	13,379
-	-	-	-	-	809,282	738,654
-	-	-	-	-	46,242	21,306
-	-	-	-	-	44,165	402,668
-	-	-	-	-	917,569	1,176,007
16,212	20,363	165,110	509,057	-	9,371,039	9,621,978
113,044	(10,878)	193,332	1,579	-	315,858	155,589
-	-	-	24,695	-	912,238	1,074,492
<u>\$ 129,256</u>	<u>\$ 9,485</u>	<u>\$ 358,442</u>	<u>\$ 535,331</u>	<u>\$ -</u>	<u>\$ 10,599,135</u>	<u>\$ 10,852,059</u>

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

WALKER RIVER IRRIGATION DISTRICT, NEVADA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Totals For The Year Ended June 30, 2022)
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	General	Reservoirs	Federal Grants	Water Distribution	Equipment
Operating Revenues					
Assessments levied	\$ 804,596	\$ 383,343	\$ -	\$ 11,222	\$ 221,378
Interfund charges - Note 7	18,497	-	-	-	155,646
Outside labor and equipment sales	-	-	-	-	56,522
Material sales	105	-	-	-	41,350
Ditch company services	-	-	-	-	-
District well water sales	4,415	-	-	-	-
Assessment penalties and interest	51,460	-	-	-	-
Pasture and property leases	26,546	31,260	-	-	-
Reservoir concessions	-	33,711	-	-	-
Rent, U.S.B.W.C.	18,000	-	-	-	-
Bad debt recovery	30,103	10,614	-	-	9,178
Miscellaneous revenue	34,673	548	-	-	50
Total Operating Revenues	988,395	459,476	-	11,222	484,124
Operating Expenses					
Salaries and wages	296,329	19,673	-	4,040	180,150
Payroll taxes	12,851	1,852	-	368	7,381
Group insurance	69,217	-	-	-	53,152
Industrial insurance	9,435	1,029	-	211	4,921
Pension expense	112,808	-	-	-	56,233
Retirees group insurance	-	-	-	-	-
Bad debt expense	-	-	-	-	-
Fuel, oil and grease	3,733	8,215	-	40	13,565
Vehicle expense	856	-	-	-	4,482
Repairs and maintenance	2,598	2,106	-	419	34,291
Supplies and small tools	835	21	-	-	7,156
Materials	-	-	-	-	24,205
Telephone and internet	2,725	878	-	-	2,343
Utilities	5,135	390	-	-	4,864
Legal	458,903	34,288	-	-	-
Accounting and audit	28,693	-	-	-	-
Consulting and other professional fees	-	17,500	-	-	-
Office expense	23,196	3	-	-	-
Computer expense	7,430	-	-	150	-
Property taxes and assessments	4,476	39,264	-	-	-
Fees and permits	9,194	30,327	-	-	-
Insurance and bonding	18,906	-	-	-	-
Miscellaneous expenses	1,424	350	-	-	-
Travel	1,004	68	-	-	-
Advertising, dues and subscriptions	13,628	-	-	-	-
Monitoring and gauging expense	-	62,134	-	-	-
Training and education	1,034	-	-	-	-
Public relations	1,449	-	-	-	-

Local Improvement Districts					Totals	
No. 1 (Smith Valley)	No. 2 (River West)	No. 3 (River East)	No. 4 (Saroni)	Ditch Companies	2023	2022
\$ 7,998	\$ 15,448	\$ 34,077	\$ 214,528	\$ -	\$ 1,692,590	\$ 1,413,871
-	-	-	-	-	174,143	76,002
-	-	-	-	-	56,522	52,555
-	-	-	-	-	41,455	37,600
-	-	-	-	140,297	140,297	112,200
-	-	-	-	-	4,415	23,905
-	-	-	-	-	51,460	6,829
-	-	-	-	-	57,806	51,168
-	-	-	-	-	33,711	34,778
-	-	-	-	-	18,000	18,000
-	3,333	-	-	-	53,228	10,254
-	-	-	6,572	-	41,843	6,278
<u>7,998</u>	<u>18,781</u>	<u>34,077</u>	<u>221,100</u>	<u>140,297</u>	<u>2,365,470</u>	<u>1,843,440</u>
-	-	-	16,000	96,578	612,770	540,344
-	-	-	1,434	8,855	32,741	23,105
-	-	-	-	-	122,369	132,644
-	-	-	1,046	5,130	21,772	15,297
-	-	-	-	-	169,041	68,108
-	-	-	-	-	-	58,450
-	-	-	-	-	-	-
-	282	4,078	628	1,762	32,303	39,270
-	-	-	-	-	5,338	-
-	9,568	14,416	18,133	25,148	106,679	80,569
-	-	-	50	-	8,062	21,840
-	-	-	-	-	24,205	96,455
-	-	-	111	1,019	7,076	7,633
-	-	-	-	-	10,389	11,445
-	2,437	-	325	-	495,953	528,176
-	-	-	-	-	28,693	25,200
-	-	-	4,263	-	21,763	27,317
-	-	-	-	-	23,199	18,715
-	-	-	148	1,628	9,356	11,610
-	-	-	-	-	43,740	51,494
-	-	-	-	-	39,521	28,717
-	-	-	-	-	18,906	18,650
-	-	-	-	177	1,951	2,516
-	-	-	-	-	1,072	2,514
-	-	-	-	-	13,628	5,108
-	-	-	-	-	62,134	42,726
-	-	-	-	-	1,034	600
-	-	-	-	-	1,449	262

(continued)

The accompanying notes are an integral part of these financial statements

WALKER RIVER IRRIGATION DISTRICT, NEVADA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Totals For The Year Ended June 30, 2022)
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	<u>General</u>	<u>Reservoirs</u>	<u>Federal Grants</u>	<u>Water Distribution</u>	<u>Equipment</u>
Operating Expenses (Continued)					
District well expense	\$ 10,736	\$ -	\$ -	\$ -	\$ -
Billable project expense	-	-	-	-	-
Emergency action plan / Flood Mitigation	-	-	-	-	-
Interfund charges	330	24,042	-	463	-
Cloud seeding	-	-	-	-	-
SCADA Expense	-	20,799	-	-	-
Depreciation	<u>32,875</u>	<u>160,011</u>	<u>-</u>	<u>5,229</u>	<u>62,641</u>
 Total Operating Expenses	 <u>1,129,800</u>	 <u>422,950</u>	 <u>-</u>	 <u>10,920</u>	 <u>455,384</u>
 Operating Income (Loss)	 <u>(141,405)</u>	 <u>36,526</u>	 <u>-</u>	 <u>302</u>	 <u>28,740</u>
Nonoperating Revenues (Expenses)					
Interest income	4,236	-	-	-	-
Gain on Sale of Property	-	78,700	-	-	-
National Fish and Wildlife					
Federal grant:					
Grant revenue	-	-	509,855	-	-
Matching grant revenues	-	-	-	-	-
BOR - project expenses	-	-	(20,753)	-	-
Modernization project charges	-	-	(9,595)	-	-
Water leasing project expenses	-	-	(476,085)	-	-
Interfund charges					
Leasing project	<u>-</u>	<u>-</u>	<u>(3,422)</u>	<u>-</u>	<u>-</u>
Net Nonoperating Revenues	<u>4,236</u>	<u>78,700</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss) before Contributions	<u>(137,169)</u>	<u>115,226</u>	<u>-</u>	<u>302</u>	<u>28,740</u>
Special Items					
Flood Mitigation expenses	-	(310,963)	-	-	-
Flood Mitigation expenses - interfund charges	<u>-</u>	<u>(121,354)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Special Items Expenses	 <u>-</u>	 <u>(432,317)</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Change in Net Position	 <u>(137,169)</u>	 <u>(317,091)</u>	 <u>-</u>	 <u>302</u>	 <u>28,740</u>
Net Position, July 1	<u>352,673</u>	<u>9,127,161</u>	<u>-</u>	<u>133,517</u>	<u>378,488</u>
Net Position, June 30	<u>\$ 215,504</u>	<u>\$ 8,810,070</u>	<u>\$ -</u>	<u>\$ 133,819</u>	<u>\$ 407,228</u>

Local Improvement Districts						
No. 1	No. 2	No. 3	No. 4	Ditch	Totals	
(Smith Valley)	(River West)	(River East)	(Saroni)	Companies	2023	2022
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,736	\$ 93,246
-	-	-	5,071	-	5,071	38,727
-	-	-	-	-	-	12,016
-	3,010	20,113	1,409	-	49,367	76,002
-	-	-	-	-	-	30,000
-	-	-	-	-	20,799	36,760
-	129	1,705	5,306	-	267,896	283,842
-	15,426	40,312	53,924	140,297	2,269,013	2,429,358
7,998	3,355	(6,235)	167,176	-	96,457	(585,917)
-	-	-	-	-	-	-
-	-	-	-	-	4,236	4,400
-	-	-	-	-	78,700	-
-	-	-	-	-	509,855	477,787
-	-	-	-	-	-	23,550
-	-	-	-	-	(20,753)	(43,837)
-	-	-	-	-	(9,595)	(500)
-	-	-	-	-	(476,085)	(422,281)
-	-	-	-	-	(3,422)	-
-	-	-	-	-	82,936	39,119
7,998	3,355	(6,235)	167,176	-	179,393	(546,798)
-	-	-	-	-	-	-
-	-	-	-	-	(310,963)	-
-	-	-	-	-	(121,354)	-
-	-	-	-	-	(432,317)	-
7,998	3,355	(6,235)	167,176	-	(252,924)	(546,798)
121,258	6,130	364,677	368,155	-	10,852,059	11,398,857
\$ 129,256	\$ 9,485	\$ 358,442	\$ 535,331	\$ -	\$ 10,599,135	\$ 10,852,059

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

WALKER RIVER IRRIGATION DISTRICT, NEVADA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Totals For The Year Ended June 30, 2022)
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	<u>General</u>	<u>Reservoirs</u>	<u>Federal Grants</u>	<u>Water Distribution</u>	<u>Equipment</u>
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities:					
Assessments and water sales received	\$ 854,756	\$ 377,756	\$ -	\$ 11,320	\$ 216,322
Rents and concession fees received	44,545	42,703	-	-	-
Other receipts	39,193	10,614	-	-	241,267
Receipts for services to ditch companies		-	-	-	-
Assessments paid to U.S.B.W.C.			-	-	-
Cash payments for personnel costs	(460,908)	(22,554)	-	(4,619)	(276,328)
Reimbursements from U.S.B.W.C.	-	-	-	-	-
Cash payments for services and supplies	(631,846)	(175,777)	-	(1,072)	(84,056)
Interfund service charges	18,497	-	-	-	-
Net Cash Provided (Used) by Operations	<u>(135,763)</u>	<u>232,742</u>	<u>-</u>	<u>5,629</u>	<u>97,205</u>
Cash Flows from Noncapital Financing Activities:					
Advances from General Fund	163,070	-	41,726	-	(92,005)
Local revenues	-	-	-	-	-
Grant receipts for non capital use	-	-	455,080	-	-
Non capital grant expenses	<u>-</u>	<u>(432,317)</u>	<u>(496,806)</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>163,070</u>	<u>(432,317)</u>	<u>-</u>	<u>-</u>	<u>(92,005)</u>
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	-	(11,757)	-	-	(5,200)
Sale of property	<u>-</u>	<u>78,700</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>66,943</u>	<u>-</u>	<u>-</u>	<u>(5,200)</u>
Cash Flows from Investing Activities:					
Interest earnings	<u>4,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided by Investing	<u>4,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash equivalents	31,543	(132,632)	-	5,629	-
Cash and Cash Equivalents, July 1	<u>139,449</u>	<u>1,116,994</u>	<u>-</u>	<u>13,152</u>	<u>-</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 170,992</u></u>	<u><u>\$ 984,362</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 18,781</u></u>	<u><u>\$ -</u></u>

Local Improvement Districts					Totals	
No. 1 (Smith Valley)	No. 2 (River West)	No. 3 (River East)	No. 4 (Saroni)	Ditch Companies	2023	2022
\$ 8,136	\$ 18,432	\$ 33,856	\$ 173,111	\$ -	\$ 1,693,689	\$ 1,469,742
-	-	-	-	-	87,248	77,335
-	-	-	6,572	-	297,646	231,706
-	-	-	-	142,413	142,413	124,290
-	-	-	-	-	-	-
-	-	-	(18,480)	(110,563)	(893,452)	(818,349)
-	-	-	-	-	-	1,588
-	(16,695)	(40,165)	(57,761)	(23,315)	(1,030,687)	(1,192,229)
-	-	-	-	-	18,497	-
<u>8,136</u>	<u>1,737</u>	<u>(6,309)</u>	<u>103,442</u>	<u>8,535</u>	<u>315,354</u>	<u>(105,917)</u>
-	(1,737)	-	(103,442)	(7,612)	-	(95,141)
-	-	-	-	-	-	54,878
-	-	-	-	-	455,080	528,777
-	-	-	-	-	(929,123)	(561,628)
<u>-</u>	<u>(1,737)</u>	<u>-</u>	<u>(103,442)</u>	<u>(7,612)</u>	<u>(474,043)</u>	<u>(73,114)</u>
-	-	-	-	-	(16,957)	(44,642)
-	-	-	-	-	78,700	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,743</u>	<u>(89,438)</u>
-	-	-	-	-	4,236	4,400
-	-	-	-	-	4,236	4,400
8,136	-	(6,309)	-	923	(92,710)	(219,886)
<u>104,745</u>	<u>-</u>	<u>198,545</u>	<u>-</u>	<u>-</u>	<u>1,572,885</u>	<u>1,792,771</u>
<u>\$ 112,881</u>	<u>\$ -</u>	<u>\$ 192,236</u>	<u>\$ -</u>	<u>\$ 923</u>	<u>\$ 1,480,175</u>	<u>\$ 1,572,885</u>

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

WALKER RIVER IRRIGATION DISTRICT, NEVADA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Totals For The Year Ended June 30, 2022)
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	<u>General</u>	<u>Reservoirs</u>	<u>Federal Grants</u>	<u>Water Distribution</u>	<u>Equipment</u>
Reconciliation of Operating Income					
To Net Cash Provided by Operations					
Operating income (loss)	\$ (141,405)	\$ 36,526	\$ -	\$ 302	\$ 28,740
Adjustments to reconcile operating income to net cash provided by operations:					
Depreciation	32,875	160,011	-	5,229	62,641
Bad debt expense (recovery)	-	-	-	-	-
Change in assets, liabilities, and deferred outflows and inflows of resources:					
(Increase) decrease in:					
Assessments receivable	(22,857)	(5,587)	-	98	(5,056)
Accounts receivable	(36)	(26,768)	(54,775)	-	(37,238)
Deferred pension expense	8,787	-	-	-	16,026
Prepaid expenses	18,907	-	-	-	-
Increase (decrease) in:					
Accounts payable	(35,561)	64,059	13,049	-	6,850
Deferred revenues	-	4,501	-	-	24,937
Accrued compensated absences	3,527	-	-	-	305
Other accrued liabilities	-	-	41,726	-	-
Total Adjustments	<u>5,642</u>	<u>196,216</u>	<u>-</u>	<u>5,327</u>	<u>68,465</u>
Net Cash Provided (Used) by Operations	<u>\$ (135,763)</u>	<u>\$ 232,742</u>	<u>\$ -</u>	<u>\$ 5,629</u>	<u>\$ 97,205</u>

Local Improvement Districts					Totals	
No. 1 (Smith Valley)	No. 2 (River West)	No. 3 (River East)	No. 4 (Saroni)	Ditch Companies	2023	2022
\$ 7,998	\$ 3,355	\$ (6,235)	\$ 167,176	\$ -	\$ 96,457	\$ (585,917)
-	129	1,705	5,306	-	267,896	283,841
-	-	-	-	-	-	(3,982)
138	(349)	(221)	(456)	-	(34,290)	50,902
-	-	-	(40,961)	2,116	(157,662)	29,722
-	-	-	-	-	24,813	18,478
-	-	-	(26,928)	-	(18,906)	(18,906)
-	(1,398)	(1,558)	-	6,419	51,860	(32,670)
-	-	-	-	-	29,438	3,036
-	-	-	-	-	3,832	2,921
-	-	-	(695)	-	41,031	146,046
138	(1,618)	(74)	(63,734)	8,535	208,012	479,388
\$ 8,136	\$ 1,737	\$ (6,309)	\$ 103,442	\$ 8,535	\$ 315,354	\$ (106,529)

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1 - Summary of Significant Accounting Policies:

The Walker River Irrigation District was organized and operates under Nevada Revised Statute 539 (NRS) to serve the agricultural communities of Smith Valley and Mason Valley. The financial statements of the Walker River Irrigation District have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units in addition to other authoritative sources issued by the American Institute of Certified Public Accountants.

GASB Statement No. 34 established a financial reporting model for state and local governments that included the addition of a management's discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the effects of internal service activities and the use of account groups.

The GASB determined that fund accounting has and will continue to be essential in helping governments to achieve fiscal accountability and should, therefore, be retained. The GASB also determined that government-wide financial statements are needed to allow the users of the financial reports to assess a government's operational accountability. The GASB model integrates fund-based financial reporting and government-wide financial reporting as complementary components of a single comprehensive financial reporting model.

Reporting Entity

The District, for financial purposes, includes all of the funds relevant to the operations of the Walker River Irrigation District. The District is under the jurisdiction of a five member board, which is a separately governing body elected by the owners of water-rights within the District. The District is legally separate and fiscally independent from other governing bodies, with decision-making authority, authority to levy assessments, the power to designate management, the ability to significantly influence operations and is accountable for fiscal matters. Therefore, the District is a primary government and is not reported as a component unit by any other entity; nor is the District accountable for any other entity required to be included in the District's annual financial report.

The District levies district-wide assessments to operate and maintain two reservoirs and distribution of water to the heads of privately owned ditches. Assessments are also levied to users within four improvement districts within the District to operate three drainage systems and one canal system.

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Private ditch companies own and operate all water distribution systems within the District except for the one owned by the District. Walker River Irrigation District provides support to eleven of these ditch companies by hiring seasonal employees and providing limited maintenance on a cost reimbursement basis.

Basic Financial Statements

The basic financial statements include the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows. The basic financial statements report entity-wide financial information. The focus of fund financial information in the basic financial statements is on major funds. Because the District has elected to report all ten funds as major, each is reported within the basic financial statements.

Basis of Accounting

The District accounts for and reports all funds as enterprise funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's financial statements are presented on the accrual basis of accounting, whereby revenues are recognized in the accounting period in which they are earned and become measurable and expenses are recognized in the period incurred, if measurable. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed in enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

Major Funds

General – The General Fund is the primary operating fund of the District. It is used to account for all financial transactions not specifically applicable to another fund.

Reservoirs – The Reservoirs Fund accounts for all the cost of operating and maintaining the Bridgeport and Topaz Reservoirs.

Federal Grants – The Federal Grants Fund accounts for the costs associated with a federal grant passed through the National Fish and Wildlife Federation and Bureau of Reclamation.

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Water Distribution – The Water Distribution Fund accounts for the receipt and expenditure of assessment revenue to manage the High ditch owned by the District for the purpose of delivering water to water users with ditch access.

Equipment – The Equipment Fund accounts for the cost of maintenance equipment and employees that provide service throughout the District. The service is provided to other funds as well as private ditch companies at rates established by the governing board.

Local Improvement Districts

Local Improvement Districts – Each of the four local improvement district funds accounts for the assessments paid by those water users connected to the respective drainage system and cost of maintaining such system.

Ditch Companies – The Ditch Companies Fund accounts for the cost of employing seasonal personnel to monitor water distribution. The private ditch companies are billed for the service at cost.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position comprises various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net position is classified in the following three components: invested in capital assets, net of related liabilities, restricted, and unrestricted net position. Invested in capital assets, net of related debt, consist of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction, and improvement of those assets. Restricted net position consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, regulations and enabling legislation, including self-imposed legal mandates, less any related liabilities. Special assessments levied within improvement districts and the water distribution division are restricted to providing service to the respective water users within the respective service area. Unrestricted consists of all other net assets not included in the above categories. The District applies restricted sources first when an expense is incurred for the purposes for which both restricted and unrestricted net assets are available.

Budgets and Budgetary Accounting

Pursuant to NRS Chapter 539, the District is not required to file a budget with the Nevada Department of Taxation if a statement of all liabilities and assets of the District is published in at least one issue of a newspaper circulated in Lyon County on or before the first Tuesday of September of each year. However, the District does adopt annual budgets, based on the modified accrual basis of accounting, for all funds except the Federal Grants and Ditch Company Funds.

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Cash and Investments

Cash balances are invested as permitted by NRS 355.170. Investments are stated at cost, which approximate market value. Pursuant to NRS 355.170, the District may only invest in the following types of securities:

United States bonds and debentures maturing within ten (10) years from the date of purchase; Certain farm loan bond; Securities of the United States Treasury, United States Postal Service or the Federal National Mortgage Association maturing within the (10) years from the date of purchase; Negotiable certificates of deposit from commercial banks and insured savings and loan associations within the State of Nevada; Certain securities issued by local governments of the State of Nevada; Other securities expressly provided by other statutes, including repurchase agreements; Certain short-term commercial paper issued by U. S. Corporations; Certain "AAA" rated mutual funds that invest in Federal securities.

Cash and Cash Equivalents

The District has adopted GASB Statement 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting." For purposes of reporting cash flows, the District considers all highly liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash equivalents.

Assessments Receivable

Assessments receivable reflects only those assessments receivable from all delinquent roll years. The District has recorded a provision for uncollectible accounts in the amount of \$6,751. Management does not anticipate any material collection loss in respect to the remaining balances after application of the uncollectible account provision.

Inventory of Consumable Supplies

The District accounts for inventories using the "consumption method" which reclassifies inventories as expenditures when they are used. Inventories are valued at cost, on a first-in first-out basis as identified by a physical inventory count at year-end.

Capital Assets and Leases

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or non-current)

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

associated with their activity are included on their balance sheet. Depreciation is provided in the enterprise funds in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line method. The assets of the District are being recorded at historical costs as they are acquired with estimated depreciable life ranging from 5 to 100 years. When applicable, interest expense is capitalized during construction period of related assets. No depreciation is provided for irrigation works not subject to material depreciation when properly maintained.

In June 2017, the Governmental Accounting Standards Board required that governmental entities are subject to following the guidelines of GASB 87 by the end of fiscal year 2023. This objective of this Board is to better meet the information needs of financial statement users by improving the relevance, reliability, and consistency of information about leasing activities of governments that meet certain criteria, such as if they are long-term or short term, and the expected present value is significant enough to be reflected in the financial statements. For purposes of applying this Statement, a lease is defined and a contract that conveys control of the right to use another's non-financial asset for a period of time in an exchange transaction. The District has one lease that meets the criteria to be reported under GASB 78.

Compensated Absence Benefits

The Directors allow employees to accumulate unused sick leave and vacation time to a maximum of 90 days and 30 days, respectively. Costs involved in connection with the accumulation of sick leave and vacation time are recognized when the liability is incurred.

Pensions

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

Deferred Inflows and Outflows of Resources

Transactions that result in the consumption or acquisition of net assets in one period that are applicable to future periods are reported as either a deferred inflow of resources or deferred outflow of resources in the statement of net position.

WALKER RIVER IRRIGATION DISTRICT, NEVADA
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Revenues

The major revenue source is assessments levied on water-righted acres within the District. Lyon County collects the majority of assessments on its secured property tax roll and remits collections to the District monthly.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the water proprietary fund. Operating expenses are necessary costs incurred to provide the goods and services for the primary activity. Revenues and expenses which do not meet the above criteria are considered non-operating and reported as such.

Capital Contributions

Contributions are recognized in the Statement of Revenues, Expenses and Changes in Net Position when earned. Contributions largely include capital grants from federal and state grants in support of system improvements.

Use of Estimates

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

Note 2 – Cash:

The Walker River Irrigation District maintains all cash in bank accounts and time certificates of deposits. The District's cash balance is largely maintained at Wells Fargo Bank, which is fully covered by FDIC insurance and collateral pledged to the Walker River Irrigation District accounts. The district also invests in a certificate of deposit at the Greater Nevada Credit Union. The collateral pledged consists of obligations insured or guaranteed by the State of Nevada and its Office of the State Treasurer through the state's Nevada Pool Collateral Program.

Interest Rate Risk:

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk:

State law limits types of allowable investments under Nevada Revised Statutes 355.170 as listed in the accompanying Note 1.

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
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Concentration of Credit Risk:

The District places no limits on the amount that may invest in any one issuer.

The District's operations are segregated into different operating activities. A summary schedule of cash for the Walker River Irrigation District by operating activity at June 30, 2023 is as follows:

The following is a list of cash and deposits indicating collateral or insurance on these deposits:

Cash Balance by Operating Activity:	
General Operations	\$ 170,992
Reservoirs	984,362
Water Distribution	18,781
Local Improvement Districts:	
No. 1 (Smith Valley)	112,881
No. 3 (River East)	192,236
No. 3 (River East)	923
Total Cash	<u>\$ 1,480,175</u>

Cash Balances Classified by Depository:	
Cash on Hand	318
Commercial Accounts:	
Wells Fargo Checking	87,954
Wells Fargo Money Market	625,699
Time Certificates of Deposit:	
Wells Fargo Bank	509,626
Greater Nevada Credit Union	256,578
Total Cash	<u>\$ 1,480,175</u>

The following is a list of cash and deposits indicating collateral or insurance on these deposits:

	Carrying Amount	Bank Balance
Cash on Hand	\$ 318	\$ -
Insured (FDIC)	500,000	500,000
Uninsured but collateralized by securities held in the name of the District by its agent	927,437	1,051,199
Uninsured but not collateralized by securities held in the name of the District by its agent	<u>52,420</u>	<u>52,420</u>
	<u>\$ 1,480,175</u>	<u>\$ 1,603,620</u>

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 3 - Changes in Capital Assets and Leases:

The changes in capital assets are as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets, not being depreciated:				
Land & improvements	\$ 1,096,360	\$ -	\$ -	\$ 1,096,360
Capital assets, being depreciated:				
Irrigation facilities	10,077,009	11,757	-	10,088,766
Central facilities	220,739	-	-	220,739
District well	126,027	-	-	126,027
Vehicles and equipment	1,888,737	5,200	-	1,893,937
Furniture and fixtures	130,510	-	-	130,510
Total capital assets being depreciated	12,443,022	16,957	-	12,459,979
Less accumulated depreciation:				
Irrigation facilities	2,248,367	184,591	-	2,432,958
Central facilities	146,470	3,891	-	150,361
District well	123,840	-	-	123,840
Vehicles and equipment	1,273,825	77,285	-	1,351,110
Furniture and fixtures	124,902	2,129	-	127,031
Total accumulated depreciation	3,917,404	267,896	-	4,185,300
Total capital assets being depreciated, net	8,525,618	(250,939)	-	8,274,679
Total capital assets, net of depreciation	\$ 9,621,978	\$ (250,939)	\$ -	\$ 9,371,039

The changes in leases are as follows:

The District leases real property to Nevada Copper, Inc. The term of the lease is for a base period of 30 years commencing December 1, 2018, terminating November 30, 2048. The lease payments are \$25,000 per year. The District leases the Bridgeport Pasture with annual an lease payment of \$34,260 and expires on December 31, 2024. The District lease the Topaz Dam concession with an annual payment of \$25,000 and expires on June 30, 2024. The District leases the Bridgeport Marina with an lease payment of \$8,980 and expires on December 31,2024. The District also leases shared office space to the United States Board of Water Commissioners with annual lease payment of \$18,000 with an anticipated maturity in June 30, 2043.

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
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In accordance with the Governmental Accounting Standards Board, Statement 78, the present value of the lease payments is reported as a lease liability using the District's discount rate of 2%. The related asset is reported as a lease asset and amortized over the term of the lease.

<u>Year ending June 30,</u>	<u>Lease Obligation</u>			<u>Asset</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Amortization</u>
2023	\$ -	\$ -	\$ -	\$ 809,283
2024	87,853	531	88,384	721,430
2025	38,361	471	38,832	683,070
2026	38,622	452	39,074	644,448
2027	39,143	432	39,574	605,305
2028-2032	204,162	1,865	206,027	401,143
2033-2037	132,538	1,371	133,909	268,605
2038-2042	124,124	876	125,000	144,481
2043-2047	124,621	379	125,000	19,860
2048	19,860	16	19,859	-
Totals	<u>\$ 809,283</u>	<u>\$ 6,392</u>	<u>815,658</u>	<u>-</u>

Note 4 – Long Term Obligations:

Compensated Absences:

The amount of accrued compensated absences liability at June 30, 2023 was \$47,217. This balance only includes the value of the business-type activities annual leave, which is earned at a rate based upon an employee's longevity with the District. An employee may carry over unused annual leave to the next year, not exceeding 30 days as of the employee's anniversary date.

Changes in Long-term Debt Obligations:

	<u>Balance</u> <u>July 1,</u> <u>2022</u>	<u>Obligations</u> <u>Issued</u>	<u>Obligations</u> <u>Retired</u>	<u>Balance</u> <u>June 30,</u> <u>2023</u>	<u>Due Within</u> <u>One Year</u>
Long-Term Debt:					
Compensated absences	\$ 43,385	\$ 3,832	\$ -	\$ 47,217	\$ -
Net Pension Liability	419,439	438,850	-	858,289	-
OPEB liability	<u>181,919</u>	<u>-</u>	<u>35,678</u>	<u>146,271</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 644,743</u>	<u>\$ 442,682</u>	<u>\$ 35,678</u>	<u>\$ 1,051,777</u>	<u>\$ -</u>

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
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Note 5– Defined Benefits Pension Plan:

General Information about the Pension Plan

Plan description: All permanent full-time employees are provided pensions through the Public Employees Retirement Plan (PERS). The plan is a multiple employer defined benefit pension plan administered by the Public Employees Retirement System of Nevada. Chapter 286 of the Nevada Revised Statutes (NRS) establishes a governing board, appointed by the Governor that is responsible for managing the System, including arranging for a biennial actuarial valuation and adoption of actuarial tables and formulas prepared and recommended by the actuary.

Benefits provided: Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for 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 multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. 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.

Vesting: Regular members are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with thirty years of service. Regular members who entered the System on after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service. The normal ceiling limitation on monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Contributions: The authority for establishing and amending the obligation to make contributions, and member contribution rates, is set by statute. The contribution rates are based on biennial actuarial valuations and expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983 have the option of selecting one of two contribution plans.

One plan provides for matching employee and employer contributions, while the other plan provides for employer-pay contributions only. Under the matching Employee/Employer Contribution plan a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account.

All membership rights and active service credit in the System are canceled upon withdrawal of contributions from the member's account. If EPC was elected, the member cannot convert to the Employee/Employer Contribution plan.

Walker River Irrigation District has one employee on the Employee/Employer Contribution plan while the rest have elected the EPC plan for all employees.

The District's contributions to the plan totaled \$115,482 for the year ended June 30, 2023 of which 50% or \$54,376 is considered employees contributions for reporting purposes. Total contributions were based on a rate of 29.75% of covered compensation.

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

At June 30, 2023 the District reported a liability of \$858,289 for its proportionate share of the net pension liability. The 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 District's proportion of the plan's net pension liability was based on the District's employer contributions to the pension plan relative to the contributions of all participating entities for the year ended June 30, 2023. On the June 30, 2023 valuation report, the District's proportion was .00475% while fiscal year 2022 the proportionate rate was .00460%.

For the year ended June 30, 2023, the District recognized pension expense of \$117,906. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual		
Experience	\$ 111,134	\$ 613
Net difference between projected and actual		
earnings on pension plan investments	10,471	-
Change of assumptions	110,253	-
Changes in proportion and differences between		
District contributions and proportionate share		
of contributions	<u>108,239</u>	<u>43,552</u>
	<u>\$ 340,097</u>	<u>\$ 44,165</u>

*As of June 30, 2022, PERS' long-term inflation assumption was 2.50%.

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

Year Ended June 30:	
2024	\$ 61,373
2025	52,270
2026	33,789
2027	128,839
2029	<u>19,661</u>
	<u>\$ 295,932</u>

Investments: The Board evaluates and establishes expected real rates of return (expected returns, net of investment expenses and inflation) for each asset class. The Board reviews these capital market expectations annually. The asset allocation is reviewed annually and designed to meet the future risk and return needs of the System.

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

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
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In addition, \$54,377 of District contributions subsequent to the measurement date is reported as a deferred outflow of resources. This amount will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Actuarial assumptions:

The total pension liability at June 30, 2022 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	2.50%
Investment rate of return	7.25%
Productivity pay increases:	0.50%
Projected salary increases	
Regular:	4.20% to 9.10% depending on service Rate includes inflation and productivity increases
Other assumptions	Same as those used in the June 30, 2022 funding actuarial valuation

Discount Rate: The discount rate used to measure the total pension liability was 7.25% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	Current	
1% Decrease	Discount Rate	1% Increase
<u>(6.25%)</u>	<u>(7.25%)</u>	<u>(8.25%)</u>
\$1,317,541	\$858,289	\$479,161

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
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Additional Information: Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Comprehensive Annual Financial Report (CAFR) available on the PER's website at www.nvpers.org under Quick Links – Publications.

Note 6– Post-Employment Benefits Other Than Pensions:

The District offers health benefits only to those retirees eligible to participate in the Nevada Public Employees' Benefits Program and which is closed to new entrants.

Plan Information

The District contributes to an agent multiple-employer defined healthcare plan, Nevada Public Employees' Benefits Program (PEBP). PEBP is administered by the State of Nevada pursuant to NRS 287. The Plan provides medical, dental, vision, long-term disability, mental health, substance abuse and life insurance benefits. District retirees previously had the option to join the PEBP offered by the State of Nevada.

Local Governments are required to pay the same portion of cost of coverage for their retirees joining PEBP that the State of Nevada pays for those persons retired from state service. As of June 30, 2022, four District retirees are covered by this benefit plan. The PEBP issues a publicly available report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees' Benefit Program, 901 South Stewart Street, Suite 1001, Carson City, Nevada 89701. The information is also available on their website at www.pebp.state.nv.us or by calling (800)326-5496.

Funding Policy:

The contributions to Nevada Public Employees' Benefits Program are established and may be amended by the Board of the Public Employee's Benefits Program. The amount of subsidy for District retirees is billed monthly. The explicit subsidy paid directly to PEPB by the District for the year ended June 30, 2023 was \$10,443. Amounts contributed by retirees are paid directly to the State of Nevada and, as such, are not available. The required contribution is based on projected pay-as-you-go financing requirements. The District has not elected the option to pay additional amounts into a qualified trust to prefund benefits.

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Total OPEB Liability:

The District's total OPEB liability of \$146,241 was measured as of June 30, 2022. The most recent valuation was performed for June 30, 2022.

Discount rate (based on the S&P Municipal Bond 20 Year High-Grade Rate Index)	4.09% of June 2023
Healthcare cost trends	4.5%
No change in percent of total premium required to be subsidized by District	

Mortality rates were based on those published by the
NCHS, National Vital Statistics System, Mortality
"Life Table for Males: United States, 2014" and
"Life Table for Females: United States, 2014"

As of June 30, 2023, the effective date of the OPEB valuation, four retirees participated in the PEBP plan. Because the PEBP's enrollment was closed to new enrollees effective November 29, 2008, the number of participants will not increase.

Changes in the Total OPEB Liability is as follows:

Balance June 30, 2022	<u>\$ 181,919</u>
Changes for the year:	
Interest	3,852
Plan Experience	-
Change in Assumptions	(29,087)
Benefit Payments	<u>(10,443)</u>
Change in liability	<u>(35,678)</u>
Balance June 30, 2023	<u>\$ 146,241</u>

In addition, contributions of \$10,443 were made subsequent to the June 30, 2023 measurement date and are reported as deferred outflow of resources. These contributions will be recognized in the 2024 fiscal year.

Sensitivity of the total OPEB liability to changes in the healthcare cost trend:

The following presents the District's total OPEB liability of the District as well as what the District's OPEB liability would be if it were calculated using a change discount rate which are 1-percentage-point lower or 1-percentage-point higher than the current rates:

1% Decrease	Current Discount Rate	1% Increase
<u>(3.09%)</u>	<u>(4.09%)</u>	<u>(5.09%)</u>
\$ 160,358	\$ 146,241	\$ 134,191

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
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The following presents the City's total OPEB liability of the City as well as what the City's OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

<u>Decrease</u> <u>- 1%</u>	<u>Current</u> <u>Trend Rate</u>	<u>Increase</u> <u>+ 1%</u>
\$ 132,877	\$ 146,241	\$ 161,655

Note 7 – Interfund Transactions and Related Parties:

Due From/To Other Funds

The federal grant and services provided under the ditch company service agreements are on the cost reimbursement basis. Therefore, the General Operating Fund must advance cash to the various funds until reimbursements are received.

	<u>Due from</u> <u>Other Funds</u>	<u>Due to</u> <u>Other Funds</u>
General Fund	\$ 419,643	\$ -
Federal Grants Fund	-	259,867
Equipment Fund	-	45,227
Local #2 – River West	-	11,227
Local #4 – Saroni Canal Fund	-	42,403
Ditch Companies	<u>-</u>	<u>60,919</u>
Total	<u>\$ 419,643</u>	<u>\$ 419,643</u>

Interfund Charges

The District provides both labor and equipment to maintain and improve reservoirs and water distribution and drainage systems. The service is billed to the respective funds benefiting from the service so that the appropriate rate payers bare the financial responsibility.

Related Parties

The District has an arrangement with the United States Board of Water Commissioners – Walker River (U.S.B.W.C.) whereby the District collects assessment revenue from its users on behalf of the U.S.B W.C. Certain expenses are also shared by both entities.

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

The following are related party transactions for the year ended June 30, 2023:

	<u>DISTRICT</u>	<u>U.S.B.W.C.</u>	<u>Total</u>
Delinquent assessments receivable	<u>\$ 27,491</u>	<u>\$ 7,186</u>	<u>\$ 27,411</u>
Rent paid or accrued by U.S.B.W.C.	<u>\$ -</u>	<u>\$ 18,000</u>	<u>\$ 18,000</u>

Note 8 – Risk Management:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries of employees; and natural disasters as are all entities.

The District has joined together with similar public agencies (cities, counties and special districts) throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (Pool) is a public entity risk pool currently operating as a common risk management and insurance program for its members.

The District pays an annual premium and a \$500 deductible, as necessary, to the Pool for its general insurance coverage. The Pool is considered a self-sustaining risk pool that will provide coverage for insured events in excess of the \$350,000 per insured event. The Pool obtains independent coverage for insured events in excess of the \$350,000 limit. There have not been any changes of insurance coverage from the prior year.

The District continues to carry commercial insurance for other risks of loss, including specific risks of loss not covered by the Pool (bonding) and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 9 - Compliance with Nevada Revised Statutes:

The District complied with all the financial reporting, posting and publication requirements of NRS 539.483 through 539.487.

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Water Leasing Demonstration Program in the Walker River Basin

Through the National Fish and Wildlife Foundation (NFWF), the District was chosen to administer and manage a \$25,000,000 water leasing demonstration program to increase Walker Lake inflows and for use in obtaining information regarding the establishment, budget, and scope of a longer-term leasing program. The actual funds for this project will come from the U.S. Bureau of Reclamation and pass through the NFWF. An initial award of \$2,051,328 was granted April 2011 and is 100% funded by NFWF. In November 2012, an amendment was signed in which the remaining funds were allocated to the project with a project performance period ending December 15, 2019. An additional amendment was signed in which the performance period was extended to September 30, 2023. The outstanding receivable was \$191,572.

Bureau of Reclamation – Campbell Canal Water Conservation Project

The District entered into a federal grant September 2020 a grant to result in water savings by replacing gate structure at the junction of the East and West Campbell canals along with control and data acquisition for flow monitoring that is achieved through an automated system. The amount of the award is \$162,000, to be paid with matching funds of \$83,728 (51.68%) by the recipient and \$82,272 (48.32%) from the Bureau of Reclamation. At the end of this fiscal year, this grant was anticipating a project start date of November 2023. Accumulated costs on this project totaled \$94,262.

Note 11 - Contingencies:

Federal and State Grants

The District received grants from the Federal government which may be subject to compliance audits by the grantor agencies and ultimate retention of these monies is contingent upon satisfying the grantors that proper procedures were followed and that the resources were spent in accordance with grant requirements.

Claims and Lawsuits

In the normal course of operations, the District is presently involved in two lawsuits center around the reallocation of water right issues. In the opinion of management and legal counsel, the financial impact of these actions, if any, is not determinable at June 30, 2023. The District's plan is to defend these matters vigorously.

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 12– Subsequent Events:

Management has evaluated subsequent events through February 29, 2024, which is the date the financial statements were available to be issued.

Note 13– Flood Mitigation Expenses:

The District incurred \$432,317 in flood mitigation expenses due to extensive flooding in conjunction with the abnormal spring runoff. The District has applied for FEMA grant funding to cover said mitigation costs. The District has not received any communication from FEMA that the mitigation expenses will be covered under FEMA grant funding. Therefore, these financial statements do not recognize any FEMA grant revenue since such funding is not determinable at the date of issuance of these financial statements.

WALKER RIVER IRRIGATION DISTRICT, NEVADA
SCHEDULE OF THE DISTRICT'S
OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY
LAST SIX FISCAL YEARS

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>Total OPEB liability</u>						
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	3,857	5,930	21,876	(15,649)	4,463	3,852
Change in Assumption	-	-	-	-	16,733	(29,087)
Plan experience	-	-	-	-	22,475	-
Actuarial adjustment	-	-	-	-	24,351	-
Benefit payments (premiums to PEBP)	<u>(9,639)</u>	<u>(9,639)</u>	<u>(10,443)</u>	<u>(8,702)</u>	<u>(8,702)</u>	<u>(10,443)</u>
Change in OPEB Liability	(5,782)	(3,709)	11,433	(24,351)	59,320	(35,678)
Total OPEB Liability, Beginning	<u>145,008</u>	<u>139,226</u>	<u>135,517</u>	<u>146,950</u>	<u>122,599</u>	<u>181,919</u>
Total OPEB Liability, End	<u>\$ 139,226</u>	<u>\$ 135,517</u>	<u>\$ 146,950</u>	<u>\$ 122,599</u>	<u>\$ 181,919</u>	<u>\$ 146,241</u>

WALKER RIVER IRRIGATION DISTRICT, NEVADA
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
LAST NINE FISCAL YEARS
NEVADA PUBLIC EMPLOYEES RETIREMENT SYSTEM

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Schedule of District's Proportionate Share</u> <u>of the Net Pension Liability</u>				
District's proportion of the net pension liability	0.00340%	0.00290%	0.30800%	0.38300%
District's proportionate share of the net pension liability	\$ 354,282	\$ 332,087	\$ 414,895	\$ 509,506
District's covered-employee payroll	\$ 195,433	\$ 173,714	\$ 186,919	\$ 245,612
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	181.3%	191.2%	222.0%	207.4%
Plan fiduciary net position as a percentage of the total pension liability	76.3%	75.1%	72.2%	74.4%

The above amounts presented for each fiscal year have a measurement date of June 30 of the preceding year.

Schedule of District Contributions

Statutorily required contribution	\$ 44,484	\$ 52,347	\$ 68,639	\$ 72,481
Employer-paid member contribution	<u>(22,242)</u>	<u>(26,174)</u>	<u>(34,320)</u>	<u>(36,241)</u>
Employer contribution	<u>22,242</u>	<u>26,174</u>	<u>34,320</u>	<u>36,241</u>
Contributions in relation to the statutorily required contribution	<u>22,242</u>	<u>26,174</u>	<u>34,320</u>	<u>36,241</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 173,174	\$ 186,919	\$ 245,612	\$ 258,862
Contributions as a percentage of covered payroll	12.8%	14.0%	14.0%	14.0%

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.39100%	0.00473%	0.00411%	0.00460%	0.00475%
\$ 532,765	\$ 645,278	\$ 572,021	\$ 419,439	\$ 858,289
\$ 258,862	\$ 266,154	\$ 291,158	\$ 326,732	\$ 352,897
205.8%	242.4%	196.5%	128.4%	243.2%
75.2%	76.5%	77.0%	86.5%	75.1%
\$ 71,415	\$ 85,418	\$ 96,079	\$ 104,565	\$ 115,481
<u>(35,708)</u>	<u>(40,068)</u>	<u>(45,230)</u>	<u>(49,254)</u>	<u>(54,376)</u>
<u>35,708</u>	<u>45,350</u>	<u>50,849</u>	<u>55,311</u>	<u>61,105</u>
<u>35,708</u>	<u>45,350</u>	<u>50,849</u>	<u>55,311</u>	<u>61,105</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 266,154	\$ 291,158	\$ 326,732	\$ 352,897	\$ 389,025
13.4%	15.6%	15.6%	15.7%	15.7%

WALKER RIVER IRRIGATION DISTRICT, NEVADA
FEDERAL GRANTS FUND
SCHEDULE OF NET POSITION BY FEDERAL GRANT
JUNE 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	NFWF Storage Leasing Projects		
	Water Leasing	Conveyance Study	Modernization
Assets			
Cash	\$ -	\$ -	\$ -
Due from ditch companies - match	-	-	-
Grants receivable	<u>181,977</u>	<u>9,095</u>	<u>500</u>
Total Assets	<u>\$ 181,977</u>	<u>\$ 9,095</u>	<u>\$ 500</u>
Liabilities			
Accounts payable	25,967	-	-
Due to other funds	<u>156,010</u>	<u>9,095</u>	<u>500</u>
Total Liabilities	<u>181,977</u>	<u>9,095</u>	<u>500</u>
Net Position			
Restricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NFWF Projects Total	BOR Campbell	Totals	
		2023	2022
\$ -	\$ -	\$ -	\$ -
-	-	-	8,210
<u>191,572</u>	<u>94,262</u>	<u>285,834</u>	<u>222,849</u>
<u>191,572</u>	<u>\$ 94,262</u>	<u>\$ 285,834</u>	<u>231,059</u>
25,967	-	25,967	12,918
<u>165,605</u>	<u>94,262</u>	<u>259,867</u>	<u>218,141</u>
<u>191,572</u>	<u>94,262</u>	<u>285,834</u>	<u>231,059</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WALKER RIVER IRRIGATION DISTRICT, NEVADA
FEDERAL GRANTS FUND
SCHEDULE REVENUES, EXPENSES ,
AND CHANGES IN NET POSITION BY FEDERAL GRANT
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Totals For The Year Ended June 30, 2022)

	NFWF Storage Leasing Projects		
	Water Leasing	Conveyance Study	Modernization
Non-Operating Revenues			
Grant revenues	\$ 479,507	\$ 9,095	\$ 500
Ditch company revenues (matching)	-	-	-
Total Non-Operating Revenues	<u>479,507</u>	<u>9,095</u>	<u>500</u>
Non-Operating expenses			
BOR - Campbell grant expenses	-	-	-
Watershed project charges	-	-	-
Modernization project expenses	-	-	-
Water Leasing project expenses	476,085	-	-
Conveyance Study project expenses	-	9,095	500
Interfund charges	<u>3,422</u>	<u>-</u>	<u>-</u>
Total Non -Operating Expenses	<u>479,507</u>	<u>9,095</u>	<u>500</u>
Net Non-Operating Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Capital Contributions			
Total Contributions	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	-	-	-
Net Position, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Net Position, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NFWF Projects Total	BOR Campbell	Totals	
		2023	2022
\$ 489,102	\$ 20,753	\$ 509,855	\$ 477,787
-	-	-	23,550
489,102	20,753	509,855	501,337
-	20,753	20,753	43,837
-	-	-	-
-	-	-	-
476,085	-	476,085	422,281
9,595	-	9,595	500
3,422	-	3,422	34,719
489,102	20,753	509,855	501,337
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	\$ -	\$ -	\$ -

WALKER RIVER IRRIGATION DISTRICT, NEVADA
DITCH COMPANIES
SCHEDULE OF NET POSITION BY DITCH COMPANY
JUNE 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	<u>Campbell</u>	<u>W. Hyland</u>	<u>Plymouth</u>	<u>Greenwood</u>	<u>Mickey</u>
Assets					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	<u>4,246</u>	<u>2,188</u>	<u>33,416</u>	<u>2,631</u>	<u>3,004</u>
	<u>\$ 4,246</u>	<u>\$ 2,188</u>	<u>\$ 33,416</u>	<u>\$ 2,631</u>	<u>\$ 3,004</u>
Liabilities					
Accounts payable	\$ -	1,098	\$ 167	\$ -	\$ -
Due to General Fund	4,246	1,090	33,249	2,631	3,004
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>4,246</u>	<u>2,188</u>	<u>33,416</u>	<u>2,631</u>	<u>3,004</u>
Net Position	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

<u>Simpson</u>	<u>Joggles</u>	<u>SAB</u>	<u>Hall</u>	<u>Nichol-Merritt</u>	<u>Colony</u>	<u>Totals</u>	
						<u>2023</u>	<u>2022</u>
\$ -	\$ -	\$ -	\$ 923	\$ -	\$ -	\$ 923	\$ -
<u>128</u>	<u>1,467</u>	<u>1,444</u>	<u>3,157</u>	<u>4,837</u>	<u>10,362</u>	<u>66,880</u>	<u>68,996</u>
<u>\$ 128</u>	<u>\$ 1,467</u>	<u>\$ 1,444</u>	<u>\$ 4,080</u>	<u>\$ 4,837</u>	<u>\$ 10,362</u>	<u>\$ 67,803</u>	<u>68,996</u>
\$ -	\$ 747	\$ 747	\$ 4,080	\$ 45	\$ -	\$ 6,884	465
128	720	697	-	4,792	10,362	60,919	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,531</u>
<u>128</u>	<u>1,467</u>	<u>1,444</u>	<u>4,080</u>	<u>4,837</u>	<u>10,362</u>	<u>67,803</u>	<u>68,996</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

WALKER RIVER IRRIGATION DISTRICT, NEVADA
DITCH COMPANIES
SCHEDULE REVENUES, EXPENSES
AND CHANGES IN NET POSITION BY DITCH COMPANY
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Totals For The Year Ended June 30, 2022)

	<u>Campbell</u>	<u>W. Hyland</u>	<u>Plymouth</u>	<u>Greenwood</u>	<u>Mickey</u>
Operating Revenues					
Ditch company services	\$ 17,286	\$ 8,655	\$ 14,675	\$ 5,636	\$ 5,912
Operating Expenses					
Salaries and wages	14,020	7,400	12,000	4,800	5,040
Payroll taxes	1,372	720	1,076	437	460
Industrial insurance	733	387	706	251	264
Fuel, oil and grease	-	-	525	-	-
Repairs and maintenance	1,013	-	109	-	-
Telephone & internet	-	-	111	-	-
Computer expense	148	148	148	148	148
Interfund charges	-	-	-	-	-
Other miscellaneous	-	-	-	-	-
Total Operating Expenses	<u>17,286</u>	<u>8,655</u>	<u>14,675</u>	<u>5,636</u>	<u>5,912</u>
Change in Net Position	-	-	-	-	-
Net Position, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Simpson</u>	<u>Joggles</u>	<u>SAB</u>	<u>Hall</u>	<u>Nichol-Merritt</u>	<u>Colony</u>	<u>Totals</u>	
						<u>2023</u>	<u>2022</u>
<u>\$ 148</u>	<u>\$ 5,897</u>	<u>\$ 5,897</u>	<u>\$ 8,553</u>	<u>\$ 22,955</u>	<u>\$ 44,683</u>	<u>\$ 140,297</u>	<u>\$ 110,381</u>
-	5,000	5,000	7,350	19,168	16,800	96,578	92,084
-	487	487	671	1,558	1,587	8,855	6,566
-	262	262	384	1,002	879	5,130	3,311
-	-	-	-	856	381	1,762	3,740
-	-	-	-	-	24,026	25,148	439
-	-	-	-	223	685	1,019	991
148	148	148	148	148	148	1,628	1,760
-	-	-	-	-	-	-	612
-	-	-	-	-	177	177	878
<u>148</u>	<u>5,897</u>	<u>5,897</u>	<u>8,553</u>	<u>22,955</u>	<u>44,683</u>	<u>140,297</u>	<u>110,381</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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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

To the Board of Directors
Walker River Irrigation 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 the business-type activities and each major fund of the Walker River Irrigation District, Nevada, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Walker River Irrigation District's basic financial statements and have issued our report thereon dated February 29, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Walker River Irrigation District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriated in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Walker River Irrigation District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Walker River Irrigation 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 over financial reporting 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 over financial reporting that we consider to be significant deficiencies or material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies listed as finding 2023-001 and 2023-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Walker River Irrigation District's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Sciarani & Co.".

Yerington, Nevada
February 29, 2024

WALKER RIVER IRRIGATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023

A. Summary of Auditor's Results – GAAS Audit:

- (i) The auditor's report expresses an unqualified opinion on the financial statements of the Walker River Irrigation District.
- (ii) Two significant deficiencies relating to the audit of the financial statements is reported in the *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*. Significant control deficiency 2023-001 and 2023-002 is considered to be a material weakness.
- (iii) No instances of noncompliance material to the financial statements of Walker River Irrigation District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

B. Findings – Financial Statement Audit

Significant Deficiency

2023-001 Bank Reconciliations

Criteria: Cash balances reported in an entity's general ledger must agree to the composition to reconciled bank balances on a monthly basis.

Condition: The District maintains two bank accounts and several certificate deposits at two separate financial institutions. Bank reconciliations were performed over these bank accounts. However, the total composition of all cash accounts maintained within the general ledger individual funds totaled approximately \$83,757 less than the amount held in the financial institutional accounts.

Effect of Condition: Timely reconciliations assure transactions are included within the financial records and thereby improving the accuracy of system generated financial reports used by management. They also detect transactions processed by financial institutions or and minimize the risk of potential errors.

Cause: The District purchased a new software accounting system that was launched on July 1, 2022. It appears the system interface has some system bugs that were not timely discovered.

Recommendation: We recommend that procedures be implemented ensuring that the total cash balances of all individual funds found within the general ledger agrees to reconciled bank balances.

**WALKER RIVER IRRIGATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023**

Management Response: We agree with the recommendation and procedures have been implemented whereas the monthly bank reconciliation balance is compared to combined general ledger cash balances.

Significant Deficiency

2023-002 Reconciliation of Federal Grant Fund

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. One of the components of an effective system of internal control over financial grant reports is the subsequent review and reconciliation of grant reporting to the general ledger.

Condition: The Federal Grants Fund is reporting grant revenues in excess of grant expenses. Federal grants are based on a reimbursement basis whereas expenditures are first incurred and claims for reimbursement are subsequently collected.

Effect of Condition: It is possible that errors in financial grant reporting could result in claims not being processed or claimed.

Cause: The District purchased a new software accounting system that was launched on July 1, 2022. District is investigating current and past expenses against reimbursement claims.

Recommendation: We recommend that a final true-up request for reimbursement be based on fiscal year end cutoff that includes June account payable transactions. This process would allow for the elimination of timing differences lapsing between fiscal years.

Management Response: We agree with the recommendation and procedures have been implemented whereas fiscal year-end requests for reimbursements will include June accounts payable transactions.



INDEPENDENT ACCOUNTANT'S REPORT ON
NEVADA REVISED STATUTES 354.6241

To the Board of Directors
Walker River Irrigation District, Nevada

We have reviewed management's assertion made in accordance with Nevada Revised Statute 354.624(5)(a) with respect to the funds of the Walker River Irrigation District as of and for the year ended June 30, 2023 that:

- The identified funds are being used expressly for the purposes for which that were created.
- The Funds are administered in accordance with accounting principles generally accepted in the United States of America.
- The restricted fund balance/net position in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2023 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau).
- The sources of revenues, including transfers, available for the funds are as noted in the financial statements.
- The funds conform to significant statutory and regulatory constraints on their financial statements administration during the year ending June 30, 2023 as detailed in Note 9 to the financial statements.

This assertion is the responsibility of the management of the Walker River Irrigation District.

Our review was conducted in accordance with attestation standard established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that management's assertion referred to above is not fairly stated in all material respects.

Sciarani & Co.

Yerington, Nevada
February 29, 2024

WALKER RIVER IRRIGATION DISTRICT
INDEPENDENT AUDITOR'S COMMENTS
JUNE 30, 2023

Statute Compliance

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 9 to the financial statements.

Prior Year Audit Recommendation

There were no specific recommendations made in the audit report for the year ending June 30, 2022.

Current Year Audit Recommendations

The Schedule of Findings and Responses included in this audit report would provide a listing of our current year recommendations.