

**WALKER RIVER
IRRIGATION DISTRICT
NEVADA**

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

WALKER RIVER IRRIGATION DISTRICT, NEVADA

JUNE 30, 2018

DIRECTORS

Jim Snyder, President

David Giorgi, Vice President

Richard Nuti, Treasurer

Marcus Masini

Dennis Acciari

MANAGER

Robert C. Bryan

WALKER RIVER IRRIGATION DISTRICT, NEVADA
JUNE 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Walker River Irrigation District, Nevada

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund of the Walker River Irrigation District, Nevada as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 of the Walker River Irrigation District, Nevada, as of June 30, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 14 to the financial statements, in 2018, the District adopted new accounting guidance, GASB No. 75, Accounting for Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion was not modified with respect to this matter.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Other Post-Employment Benefits Liability on pages 4 through 8, 34 and 35 be presented to supplement the basic financial statements. Such information, 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 appropriated 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 inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Walker River Irrigation District, Nevada's basic financial statements. The individual fund financial statements and the supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The individual fund financial statements and supplementary information are the responsibility of management and were derived from and relate 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 individual fund financial statements and the supplementary information 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 a report dated August 31, 2018 on our consideration of the Walker River Irrigation District, Nevada'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 the 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.

Sciarani & CO.

Yerington, Nevada
August 31, 2018

WALKER RIVER IRRIGATION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2018. 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 revenue for the Walker River Irrigation District was \$1,550,542 for fiscal year 2018 compared to \$1,396,677 in year 2017. This was an increase of \$155,153 over the prior year.

Operating expenses for the Walker River Irrigation District were \$1,722,794 for fiscal year 2018 compared to \$1,696,905 in year 2017. This was an increase of \$25,889 over the prior year.

Funding from two programs from the National Fish and Wildlife Foundation continued during the current year. The water leasing program incurred cost totaling \$100,779 consisting largely of legal fees and costs of a regulated reservoir study. The water gauging projects incurred costs totaling \$264,767 and included improvements to the Campbell Ditch and Merrell Ditch gauging systems. Internal labor charges totaled \$63,119.

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

To begin our analysis, a summary of the District's Statement of Net Position is presented in Table 1.

Table 1
Condensed Statements of Net Position

	FY 2018	FY 2017	Dollar Change	Percent Change
Current Assets	\$ 3,077,256	\$ 3,071,238	\$ 6,018	0.2%
Capital assets	<u>9,936,722</u>	<u>9,969,750</u>	<u>(33,028)</u>	-0.3%
Total Assets	<u>13,013,978</u>	<u>13,040,988</u>	<u>(27,010)</u>	-0.2%
Deferred Outflow of Resources	<u>213,013</u>	<u>115,781</u>	<u>97,232</u>	84.0%
Current Liabilities	162,726	128,802	33,924	26.3%
Noncurrent Liabilities	<u>669,505</u>	<u>594,444</u>	<u>75,061</u>	12.6%
Total Liabilities	<u>832,231</u>	<u>723,246</u>	<u>108,985</u>	15.1%
Deferred Inflow of Resources	<u>81,692</u>	<u>80,397</u>	<u>1,295</u>	1.6%
Net Investment in Capital Assets Restricted for Improvement	9,936,722	9,969,750	(33,028)	-0.3%
Districts	427,601	464,847	(37,246)	-8.0%
Unrestricted Net Position	<u>1,948,745</u>	<u>1,918,529</u>	<u>30,216</u>	1.6%
Total Net Position	<u>\$ 12,313,068</u>	<u>\$ 12,353,126</u>	<u>\$ (40,058)</u>	-0.3%

Net position decreased \$40,058 to \$12,313,068 in 2018 from \$12,353,126 in 2017.

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

	FY 2018	FY 2017	Dollar Change	Percent Change
Revenues				
Operating revenues	\$ 1,550,542	\$ 1,396,677	\$ 153,865	11.0%
Non-operating revenues	<u>431,723</u>	<u>893,093</u>	<u>(461,370)</u>	-51.7%
Total Revenues	<u>1,982,265</u>	<u>2,289,770</u>	<u>(307,505)</u>	-13.4%
Expenses				
Depreciation expense	238,112	205,725	32,387	15.7%
Other operating expenses	<u>1,484,682</u>	<u>1,491,180</u>	<u>(6,498)</u>	-0.4%
Non-operating expenses	<u>302,529</u>	<u>635,538</u>	<u>(333,009)</u>	-52.4%
Total Expenses	<u>2,025,323</u>	<u>2,332,443</u>	<u>(307,120)</u>	-13.2%
Income (Loss) before Capital Contributions	<u>(43,058)</u>	<u>(42,673)</u>	<u>(385)</u>	0.9%
Capital contributions	<u>-</u>	<u>10,285</u>	<u>(385)</u>	-3.7%
Change in Net Position	<u>(43,058)</u>	<u>(32,388)</u>	<u>(10,670)</u>	32.9%
Beginning Net Position	<u>12,353,126</u>	<u>12,385,514</u>	<u>(32,388)</u>	-0.3%
Ending Net Position	<u>\$ 12,310,068</u>	<u>\$ 12,353,126</u>	<u>\$ (43,058)</u>	-0.3%

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 \$40,058 in fiscal year 2018 while year 2017 had a decrease of \$32,388.

Capital Assets

During fiscal year ending June 30, 2018, the District increased its capital assets by \$205,035. The increase was comprised of the purchase of a JD backhoe for \$124,171, a Woods 60" bucket for \$5,850, two pickup trucks for \$60,014, and a Kenworth semi-truck for \$15,000. Depreciation expense of \$238,113 was recognized for the fiscal year resulting in a net decrease in capital assets of \$33,028 as disclosed in Table 3.

Table 3
Capital Assets

	FY 2017	FY 2016	Dollar Change	Percent Change
Land and Improvements:				
Reservoirs, Bridgeport and Topaz	\$ 936,005	\$ 936,005	\$ -	0.0%
East drain return canal	8,381	8,381	-	0.0%
Local Improvement Districts	151,974	151,974	-	0.0%
Irrigation Facilities:				
Reservoirs, Bridgeport and Topaz	8,923,818	8,923,818	-	0.0%
Improvements	839,029	839,029	-	0.0%
Other Capital Assets:				
Central Facilities	220,739	220,739	-	0.0%
District well	126,027	126,027	-	0.0%
Vehicles and equipment	1,520,225	1,329,048	191,177	14.4%
Furniture and office equipment	141,820	142,289	(469)	-0.3%
Total Capital Assets	<u>12,868,018</u>	<u>12,677,310</u>	<u>190,708</u>	<u>1.5%</u>
Less: Accumulated depreciation	<u>(2,931,296)</u>	<u>(2,707,560)</u>	<u>(223,736)</u>	<u>8.3%</u>
Net Capital Assets	<u><u>\$ 9,936,722</u></u>	<u><u>\$ 9,969,750</u></u>	<u><u>\$ (33,028)</u></u>	<u><u>-0.3%</u></u>

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.

Debt Administration

No debt was incurred during the year nor is any debt outstanding at year end.

Budgetary Highlights

The District adopts an 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. The budget was not amended or revised during the year.

Economic Factors and Next Year's Budget

The Board of Directors and management of the District considered many factors when setting the fiscal year 2018/2019 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

JUNE 30, 2018

(With Comparative Totals For The Year Ended June 30, 2017)

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	<u>General</u>	<u>Reservoirs</u>	<u>Federal Grants</u>	<u>Water Distribution</u>	<u>Equipment</u>
ASSETS					
Current Assets					
Cash - Note 2	\$ 1,078,790	\$ 631,191	\$ -	\$ 7,142	\$ 438,194
Delinquent assessments receivable	107,510	20,421	-	98	14,272
Accounts receivable	14,299	3,473	8,421	-	31,710
Grants receivable	-	-	148,747	-	-
Due from private ditch companies	-	-	-	-	-
Expense reimbursement receivable from the U.S. Water Commissioners, Walker River	4,089	-	-	-	-
Pipe inventory	-	-	81,280	-	-
Due from other funds - Note 6	<u>228,935</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Assets	<u>1,433,623</u>	<u>655,085</u>	<u>238,448</u>	<u>7,240</u>	<u>484,176</u>
Capital Assets - Note 3					
Land and Improvements:					
Reservoirs, Bridgeport and Topaz Lake	-	936,005	-	-	-
East drain return canal	8,381	-	-	-	-
Local Improvement Districts	-	-	-	-	-
Irrigation Facilities:					
Reservoirs, Bridgeport and Topaz Lake	-	8,923,818	-	-	-
Improvements	212,111	17,187	-	156,870	-
Other Capital Assets					
Central facilities	220,739	-	-	-	-
District well	126,027	-	-	-	-
Vehicles and equipment	115,693	-	-	-	1,404,532
Furniture, fixtures, and office equipment	<u>141,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>824,771</u>	<u>9,877,010</u>	<u>-</u>	<u>156,870</u>	<u>1,404,532</u>
Less: Accumulated depreciation	<u>(535,920)</u>	<u>(1,390,252)</u>	<u>-</u>	<u>(15,687)</u>	<u>(931,670)</u>
Total Capital Assets	<u>288,851</u>	<u>8,486,758</u>	<u>-</u>	<u>141,183</u>	<u>472,862</u>
Total Assets	<u>1,722,474</u>	<u>9,141,843</u>	<u>238,448</u>	<u>148,423</u>	<u>957,038</u>
Deferred Outflows of Resources					
Prepaid expenses	26,089	2,679	6,500	208	865
Post measurement date pension contributions - Note 5	23,781	3,681	-	-	8,779
Deferred pension outflows - Note 5	<u>86,559</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,796</u>
Total Deferred Outflow of Resources	<u>136,429</u>	<u>6,360</u>	<u>6,500</u>	<u>208</u>	<u>59,440</u>

Local Improvement Districts

WALKER RIVER IRRIGATION DISTRICT, NEVADA

STATEMENT OF NET POSITION

JUNE 30, 2018

(With Comparative Totals For The Year Ended June 30, 2017)

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	<u>General</u>	<u>Reservoirs</u>	<u>Federal Grants</u>	<u>Water Distribution</u>	<u>Equipment</u>
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 15,624	\$ 11,382	\$ 61,813	\$ 82	\$ 11,975
Other accrued expenses	-	-	-	-	59
Due to other funds - Note 7	-	-	183,135	-	-
Assessments payable, U.S. Water Commissioners, Walker River	<u>36,958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>52,582</u>	<u>11,382</u>	<u>244,948</u>	<u>82</u>	<u>12,034</u>
Long-term Liabilities - Note 4					
Accrued compensated absences	16,296	-	-	-	4,477
Other post-employment benefits liability	139,226	-	-	-	-
Net pension liability - Note 5	<u>323,434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,072</u>
Total Noncurrent Liabilities	<u>478,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,549</u>
Total Liabilities	<u>531,538</u>	<u>11,382</u>	<u>244,948</u>	<u>82</u>	<u>202,583</u>
DEFERRED INFLOW OF RESOURCES					
Advance lease payments	-	12,630	-	-	-
Deferred pension inflows - Note 5	<u>43,841</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,221</u>
Total Deferred Inflow of Resources	<u>43,841</u>	<u>12,630</u>	<u>-</u>	<u>-</u>	<u>25,221</u>
NET POSITION					
Invested in capital assets, net of related debt	288,851	8,486,758	-	141,183	472,862
Restricted	-	-	-	7,158	-
Unrestricted	<u>994,673</u>	<u>637,433</u>	<u>-</u>	<u>208</u>	<u>315,812</u>
Total Net Position	<u>\$ 1,283,524</u>	<u>\$ 9,124,191</u>	<u>\$ -</u>	<u>\$ 148,549</u>	<u>\$ 788,674</u>

Local Improvement Districts

<u>No. 1</u> <u>(Smith Valley)</u>	<u>No. 2</u> <u>(River West)</u>	<u>No. 3</u> <u>(River East)</u>	<u>No. 4</u> <u>(Saroni)</u>	<u>Ditch Companies</u>	<u>Internal Balances</u>	<u>Totals</u>	
						<u>2018</u>	<u>2017</u>
\$ - \$ 1,791	\$ 196	\$ 20,558	\$ 2,288	\$ -	\$ 125,709	\$ 111,616	
- - -	- - -	- - -	- - -	- - -	59	7,647	
- - -	- - -	- - -	- - -	45,800	(228,935)	- - -	- - -
						36,958	9,539
<u>-</u>	<u>1,791</u>	<u>196</u>	<u>20,558</u>	<u>48,088</u>	<u>(228,935)</u>	<u>162,726</u>	<u>128,802</u>
- - -	- - -	- - -	- - -	- - -	- - -	20,773	34,541
- - -	- - -	- - -	- - -	- - -	- - -	139,226	145,008
- - -	- - -	- - -	- - -	- - -	- - -	509,506	414,895
<u>-</u>	<u>1,791</u>	<u>196</u>	<u>20,558</u>	<u>48,088</u>	<u>(228,935)</u>	<u>832,231</u>	<u>723,246</u>
- - -	- - -	- - -	- - -	- - -	- - -	12,630	6,950
- - -	- - -	- - -	- - -	- - -	- - -	69,062	73,447
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,692</u>	<u>80,397</u>
16,212	14,563	121,199	395,094	- -	- -	9,936,722	9,969,750
75,856	78,745	270,181	(4,339)	- -	- -	427,601	464,847
- -	- -	- -	619	- -	- -	1,948,745	1,918,529
<u>\$ 92,068</u>	<u>\$ 93,308</u>	<u>\$ 391,380</u>	<u>\$ 391,374</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,313,068</u>	<u>\$ 12,353,126</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, 2018
(With Comparative Totals For The Year Ended June 30, 2017)

Page 1 of 2

	Federal					Water	
	<u>General</u>	<u>Reservoirs</u>	<u>Grants</u>	<u>Distribution</u>	<u>Equipment</u>		
Operating Revenues							
Assessments levied	\$ 678,442	\$ 282,390	\$ -	\$ 10,070	\$ 139,820		
Interfund charges - Note 7	-	7,588	-	-	-	138,061	
Outside labor and equipment sales	-	-	-	-	-	47,201	
Material sales	-	-	-	-	-	26,973	
Ditch company services	-	-	-	-	-	-	
District well water sales	8,909	-	-	-	-	-	
Assessment penalties and interest	6,942	-	-	-	-	-	
Pasture and property leases	-	18,905	-	-	-	-	
Reservoir concessions	-	33,793	-	-	-	-	
Rent, U.S.W.C.	7,400	-	-	-	-	-	
Miscellaneous revenue	574	-	-	-	-	3,867	
Total Operating Revenues	702,267	342,676	-	10,070	355,922		
Operating Expenses							
Salaries and wages	197,558	55,648	-	3,020	124,535		
Payroll taxes	5,514	2,956	-	289	6,167		
Group insurance	68,139	14,792	-	-	32,910		
Industrial insurance	3,403	2,138	-	124	5,742		
Pension expense	22,305	-	-	-	24,696		
Retirees group insurance	3,857	-	-	-	-		
Fuel, oil and grease	2,484	7,900	4,281	1,472	14,359		
Vehicle expense	-	-	-	-	5,095		
Repairs and maintenance	6,872	10,532	-	22	28,960		
Supplies and small tools	420	1,368	2,768	-	4,552		
Materials	-	-	-	-	27,110		
Chemicals and spray	-	-	-	-	-		
Telephone and internet	5,617	2,730	-	20	2,742		
Utilities	3,282	482	-	-	3,142		
Legal	129,759	17,208	45,496	-	-		
Accounting and audit	20,000	-	5,000	-	-		
Consulting and other professional fees	6,624	36,530	6,500	-	7,355		
Office expense	17,540	-	-	-	-		
Computer expense	5,058	-	1,470	240	-		
Property taxes and assessments	15,471	35,810	-	-	-		
Fees and permits	58	23,681	-	-	26		
Insurance and bonding	15,049	-	-	-	-		
Miscellaneous expenses	2,859	3	-	-	591		
Travel	3,870	-	502	-	31		
Advertising, dues and subscriptions	2,341	-	-	-	-		

Local Improvement Districts

				Ditch Companies	Internal Charges	Totals	
No. 1 <u>(Smith Valley)</u>	No. 2 <u>(River West)</u>	No. 3 <u>(River East)</u>	No. 4 <u>(Saroni)</u>			2018	2017
\$ 7,705	\$ 17,763	\$ 41,218	\$ 79,185	\$ -	\$ - (145,649)	\$ 1,256,593	\$ 1,195,207
-	-	-	-	-	(145,649)	-	-
-	-	-	-	-	-	47,201	3,743
-	-	-	-	-	-	26,973	461
-	-	-	-	139,385	-	139,385	102,985
-	-	-	-	-	-	8,909	4,791
-	-	-	-	-	-	6,942	7,024
-	-	-	-	-	-	18,905	39,263
-	-	-	-	-	-	33,793	34,350
-	-	-	-	-	-	7,400	6,500
-	-	-	-	-	-	4,441	2,353
7,705	17,763	41,218	79,185	139,385	(145,649)	1,550,542	1,396,677
-	-	-	12,000	71,806	-	464,567	471,155
-	-	-	1,152	6,896	-	22,974	29,473
-	-	-	-	-	-	115,841	108,429
-	-	-	494	2,953	-	14,854	13,621
-	-	-	-	-	-	47,001	59,270
-	-	-	-	-	-	3,857	2,526
327	610	1,507	4,464	8,399	-	45,803	65,573
-	-	-	-	-	-	5,095	5,270
-	10,992	26,892	37,004	26,140	-	147,414	100,802
-	-	-	45	148	-	9,301	3,880
						27,110	4,110
-	-	-	-	-	-	-	2,539
-	-	-	286	1,150	-	12,545	10,713
-	-	-	-	-	-	6,906	6,833
-	1,595	825	1,430	-	-	196,313	350,312
-	-	-	-	-	-	25,000	25,000
-	-	-	32,472	17,523	-	107,004	59,911
-	-	-	-	-	-	17,540	24,952
-	-	-	240	2,130	-	9,138	9,542
-	-	-	-	-	-	51,281	46,231
-	-	-	-	-	-	23,765	18,687
-	-	-	-	-	-	15,049	14,604
-	-	-	-	-	-	3,453	2,146
-	-	-	-	-	-	4,403	1,420
-	-	-	-	-	-	2,341	2,224

WALKER RIVER IRRIGATION DISTRICT, NEVADA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals For The Year Ended June 30, 2017)

Page 2 of 2

	<u>General</u>	<u>Reservoirs</u>	<u>Federal Grants</u>	<u>Water Distribution</u>	<u>Equipment</u>
Operating Expenses (Continued)					
District well expense	\$ 10,146	\$ -	\$ -	\$ -	\$ -
Monitoring and gauging expense	-	20,910	-	-	-
Training and education	2,174	-	-	-	-
Cloud seeding	-	1,464	-	-	-
Public relations	1,266	-	-	-	-
Election expense	-	-	-	-	-
River dredging and maintenance	-	-	-	-	-
Emergency Action Plan	-	70,167	-	-	-
Interfund charges - Note 7	-	21,378	-	616	4,074
Depreciation	<u>34,715</u>	<u>144,748</u>	<u>-</u>	<u>5,229</u>	<u>44,858</u>
Total Operating Expenses	<u>586,381</u>	<u>470,445</u>	<u>66,017</u>	<u>11,032</u>	<u>336,945</u>
Operating Income (Loss)	<u>115,886</u>	<u>(127,769)</u>	<u>(66,017)</u>	<u>(962)</u>	<u>18,977</u>
Nonoperating Revenues (Expenses)					
Interest income	3,058	-	-	-	-
National Fish and Wildlife					
Federation grant:					
Grant revenue	-	-	428,665	-	-
Regulated reservoir study	-	-	(34,762)	-	-
Water gauging project expenses	-	-	(264,767)	-	-
Interfund charges - Note 7					
Leasing project	-	-	(57,043)	-	-
Water gauging project	<u>-</u>	<u>-</u>	<u>(6,076)</u>	<u>-</u>	<u>-</u>
Net Nonoperating Revenues	<u>3,058</u>	<u>-</u>	<u>66,017</u>	<u>-</u>	<u>-</u>
Income before Contributions	118,944	(127,769)	-	(962)	18,977
Capital Contributions					
Capital contributions from N.F.W.F grant	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	118,944	(127,769)	-	(962)	18,977
Net Position, July 1	<u>1,164,580</u>	<u>9,251,960</u>	<u>-</u>	<u>149,511</u>	<u>769,697</u>
Net Position, June 30	<u>\$ 1,283,524</u>	<u>\$ 9,124,191</u>	<u>\$ -</u>	<u>\$ 148,549</u>	<u>\$ 788,674</u>

Local Improvement Districts								
No. 1 (Smith Valley)	No. 2 (River West)	No. 3 (River East)	No. 4 (Saroni)	Ditch Companies	Internal Charges		Totals	
							2018	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,146	\$ 6,903
-	-	-	-	-	-	-	20,910	26,445
-	-	-	-	-	-	-	2,174	2,141
-	-	-	-	-	-	-	1,464	13,662
-	-	-	-	-	-	-	1,266	735
-	-	-	-	-	-	-	-	371
-	-	-	-	-	-	-	-	1,700
-	-	-	-	-	-	-	70,167	-
672	4,522	7,966	41,062	2,240	(82,530)	-	-	-
-	-	-	8,562	-	-	-	238,112	205,725
999	17,719	37,190	139,211	139,385	(82,530)	1,722,794	1,696,905	
6,706	44	4,028	(60,026)	-	(63,119)	(172,252)	(300,228)	
							3,058	4,078
							428,665	889,015
-	-	-	-	-	-	-	(34,762)	(86,894)
-	-	-	-	-	-	-	(264,767)	(548,644)
-	-	-	-	-	-	57,043	-	-
-	-	-	-	-	-	6,076	-	-
-	-	-	-	-	-	63,119	132,194	257,555
6,706	44	4,028	(60,026)	-	-	(40,058)	(42,673)	
							10,285	
6,706	44	4,028	(60,026)	-	-	(40,058)	(32,388)	
85,362	93,264	387,352	451,400	-	-	12,353,126	12,385,514	
\$ 92,068	\$ 93,308	\$ 391,380	\$ 391,374	\$ -	\$ -	\$ 12,313,068	\$ 12,353,126	

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, 2018
(With Comparative Totals For The Year Ended June 30, 2017)

Page 1 of 2

	General	Reservoirs	Federal Grants	Water Distribution	Equipment
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities:					
Assessments and water sales received	\$ 978,496	\$ 272,112	\$ -	\$ 9,972	\$ 129,432
Rents and concession fees received	7,400	58,333	-	-	-
Other receipts	(638)	-	-	-	47,054
Receipts for services to ditch companies	-	-	-	-	-
Assessments paid to U.S.B.W.C.	(334,817)	-	-	-	-
Cash payments for personnel costs	(322,808)	(82,237)	-	(3,703)	(190,033)
Reimbursements from U.S.B.W.C.	1,858	-	-	-	-
Cash payments for services and supplies	(263,144)	(255,560)	(126,846)	(1,769)	(85,942)
Interfund service charges	-	(13,790)	-	(616)	133,987
Net Cash Provided (Used) by Operations	<u>66,347</u>	<u>(21,142)</u>	<u>(126,846)</u>	<u>3,884</u>	<u>34,498</u>
Cash Flows from Noncapital Financing Activities:					
Advances from General Fund	(19,111)	-	5,821	-	-
Grant receipts for non capital use	-	-	483,673	-	-
Non capital grant expenses	-	-	(362,648)	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(19,111)</u>	<u>-</u>	<u>126,846</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:					
Capital contributions, grants	-	-	-	-	-
Acquisition and construction of capital assets	(31,079)	-	-	-	(174,006)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(31,079)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(174,006)</u>
Cash Flows from Investing Activities:					
Interest earnings	<u>3,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash equivalents	19,215	(21,142)	-	3,884	(139,508)
Cash and Cash Equivalents, July 1	<u>1,059,575</u>	<u>652,333</u>	<u>-</u>	<u>3,258</u>	<u>577,702</u>
Cash and Cash Equivalents, June 30	<u>\$ 1,078,790</u>	<u>\$ 631,191</u>	<u>\$ -</u>	<u>\$ 7,142</u>	<u>\$ 438,194</u>

Local Improvement Districts

				Ditch Companies	Internal Balances	Totals	
No. 1 (Smith Valley)	No. 2 (River West)	No. 3 (River East)	No. 4 (Saroni)			2018	2017
\$ 7,680	\$ 15,536	\$ 37,599	\$ 79,181	\$ -	\$ -	\$ 1,530,008	\$ 1,494,604
-	-	-	-	-	-	65,733	107,540
-	-	-	-	-	-	46,416	13,222
-	-	-	-	131,338	-	131,338	88,326
-	-	-	-	-	-	(334,817)	(252,707)
-	-	-	(14,665)	(87,860)	-	(701,306)	(685,847)
-	-	-	-	-	-	1,858	9,125
(327)	(11,661)	(31,659)	(56,357)	(54,528)	-	(887,793)	(788,487)
(672)	(4,522)	(7,966)	(41,062)	(2,240)	(63,119)	-	-
<u>6,681</u>	<u>(647)</u>	<u>(2,026)</u>	<u>(32,903)</u>	<u>(13,290)</u>	<u>(63,119)</u>	<u>(148,563)</u>	<u>(14,224)</u>
-	-	-	-	13,290	-	-	-
-	-	-	-	-	-	483,673	791,017
-	-	-	-	-	63,119	(299,529)	(635,538)
 	 	 	 	<u>13,290</u>	<u>63,119</u>	<u>184,144</u>	<u>155,479</u>
-	-	-	-	-	-	-	10,285
-	-	-	-	-	-	(205,085)	(327,045)
 	 	 	 	 	 	<u>(205,085)</u>	<u>(316,760)</u>
-	-	-	-	-	-	3,058	4,078
6,681	(647)	(2,026)	(32,903)	-	-	(166,446)	(171,427)
<u>69,106</u>	<u>78,754</u>	<u>268,166</u>	<u>49,118</u>	<u>-</u>	<u>-</u>	<u>2,758,012</u>	<u>2,929,439</u>
<u>\$ 75,787</u>	<u>\$ 78,107</u>	<u>\$ 266,140</u>	<u>\$ 16,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,591,566</u>	<u>\$ 2,758,012</u>

WALKER RIVER IRRIGATION DISTRICT, NEVADA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals For The Year Ended June 30, 2017)

Page 2 of 2

	<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)	<u>\$ 115,886</u>	<u>\$ (127,769)</u>	<u>\$ (66,017)</u>	<u>\$ (962)</u>	<u>\$ 18,977</u>
Adjustments to reconcile operating income to net cash provided by operations:					
Depreciation	34,715	144,748	-	5,229	44,858
Change in assets, liabilities, and deferred outflows and inflows of resources:					
(Increase) decrease in:					
Assessments receivable	(71,911)	(8,869)	-	(98)	(9,696)
Accounts receivable	(8,205)	(1,454)	-	-	(31,679)
Inventory	-	-	-	-	-
Prepaid expenses	(7,419)	(2,679)	(87,285)	(208)	2,620
Post measurement pension contributions	(2,010)	(3,681)	-	-	3,746
Increase (decrease) in:					
Accounts payable	17,665	(26,775)	26,456	(15)	4,536
Deferred revenues	-	5,680	-	-	-
Accrued compensated absences	(5,431)	-	-	-	(8,337)
Net pension liability	535	-	-	-	12,171
OPEB liability	(5,782)	-	-	-	-
Other accrued liabilities	<u>(1,696)</u>	<u>(343)</u>	<u>-</u>	<u>(62)</u>	<u>(2,698)</u>
Total Adjustments	<u>(49,539)</u>	<u>106,627</u>	<u>(60,829)</u>	<u>4,846</u>	<u>15,521</u>
Net Cash Provided (Used) by Operations	<u>\$ 66,347</u>	<u>\$ (21,142)</u>	<u>\$ (126,846)</u>	<u>\$ 3,884</u>	<u>\$ 34,498</u>

Local Improvement Districts								
No. 1 (Smith Valley)	No. 2 (River West)	No. 3 (River East)	No. 4 (Saroni)	Ditch Companies	Internal Balances		Totals	
							2018	2017
\$ 6,706	\$ 44	\$ 4,028	\$ (60,026)	\$ -	\$ (63,119)	\$ (172,252)	\$ (297,039)	
-	-	-	8,562	-	-	238,112	205,725	
(25)	(2,252)	(3,360)	(4)	-	-	(96,215)	35,509	
-	25	(259)	-	(8,406)	-	(49,978)	13,920	
-	-	-	-	-	-	-	-	
-	-	-	(619)	(3,457)	-	(99,047)	(15,736)	
-	-	-	-	-	-	(1,945)	(16,244)	
-	1,536	(2,435)	19,584	962	-	41,514	47,415	
-	-	-	-	-	-	5,680	(413)	
-	-	-	-	-	-	(13,768)	8,492	
-	-	-	-	-	-	12,706	(3,500)	
-	-	-	-	-	-	(5,782)		
-	-	-	(400)	(2,389)	-	(7,588)	7,647	
(25)	(691)	(6,054)	27,123	(13,290)	-	23,689	282,815	
\$ 6,681	\$ (647)	\$ (2,026)	\$ (32,903)	\$ (13,290)	\$ (63,119)	\$ (148,563)	\$ (14,224)	

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

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

users within four improvement districts within the District to operate three drainage systems and one canal system.

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.

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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 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 published in Lyon County on or before the first Tuesday of

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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 Fund and Ditch Companies Fund.

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 the delinquent roll years. No provision for uncollectible accounts has been established since management does not anticipate any material collection loss in respect to the remaining balances.

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.

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Capital Assets

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) 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.

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.

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.

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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 maintained at Wells Fargo Bank, which is fully covered by FDIC insurance and collateral pledged to the Walker River Irrigation District accounts. 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.

Concentration of Credit Risk:

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

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018 is as follows:

Cash Balances by Operating Activity:

General Operations	\$ 1,078,790
Reservoirs	631,191
Water Distribution	7,142
Equipment	438,194
Local Improvement Districts:	
No. 1 (Smith Valley)	75,787
No. 2 (River West)	78,107
No. 3 (River East)	266,140
No. 4 (Saroni)	<u>16,215</u>
Total Cash	<u><u>\$ 2,591,566</u></u>

Cash Balances Classified By Depository:

Cash on Hand	\$ 318
Commercial Accounts:	
Wells Fargo Checking	168,354
Wells Fargo Money Market	1,180,233
Time Certificates of Deposit:	
Wells Fargo Bank	<u>1,242,661</u>
Total Cash	<u><u>\$ 2,591,566</u></u>

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

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Cash on Hand	\$ 318	\$ -
Insured (FDIC)	250,000	250,000
Uninsured but collateralized by securities held in the name of the District by its agent	<u>2,341,248</u>	<u>2,471,919</u>
	<u><u>\$ 2,591,566</u></u>	<u><u>\$ 2,721,919</u></u>

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Note 3 - Changes in Capital Assets:

The changes in capital assets are as follows:

	Balance July 1, <u>2017</u>	Additions	Deletions	Balance June 30, <u>2018</u>
Capital assets, not being depreciated:				
Land/Improvements	<u>\$ 1,096,360</u>	\$ -	\$ -	<u>\$ 1,096,360</u>
Capital assets being depreciated:				
Irrigation facilities	9,762,847	-	-	9,762,847
Central facilities	220,739	-	-	220,739
District well	126,027	-	-	126,027
Vehicles and equipment	1,329,048	205,084	13,907	1,520,225
Furniture and fixtures	<u>142,289</u>	<u>-</u>	<u>469</u>	<u>141,820</u>
Total capital assets being depreciated	<u>11,580,950</u>	<u>205,084</u>	<u>14,376</u>	<u>11,771,658</u>
Less accumulated depreciation:				
Irrigation facilities	\$ 1,368,485	\$ 172,320	\$ -	\$ 1,540,805
Central facilities	126,381	3,674	-	130,055
District well	118,057	6,158	-	124,215
Vehicles and equipment	973,992	55,708	13,907	1,015,793
Furniture and fixtures	<u>120,645</u>	<u>252</u>	<u>469</u>	<u>120,428</u>
Total accumulated depreciation	<u>2,707,560</u>	<u>238,112</u>	<u>14,376</u>	<u>2,931,296</u>
Total capital assets being depreciated, net	<u>8,873,390</u>	<u>(33,028)</u>	<u>-</u>	<u>8,840,362</u>
Total capital assets, net of depreciation	<u>\$ 9,969,750</u>	<u>\$ (33,028)</u>	<u>\$ -</u>	<u>\$ 9,936,722</u>

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Note 4 – Long Term Obligations:

Compensated Absences:

The amount of accrued compensated absences liability at June 30, 2018 was \$20,773. 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 July 1, 2017</u>	<u>Obligations Issued</u>	<u>Obligations Retired</u>	<u>Balance June 30, 2018</u>
Compensated absences	\$ 34,541	\$ -	\$ 13,768	\$ 20,773
Other postemployment benefits	145,008	-	5,782	139,226
Net pension liability	<u>414,895</u>	<u>94,611</u>	<u>-</u>	<u>509,506</u>
	<u>\$ 594,444</u>	<u>\$ 94,611</u>	<u>\$ 19,550</u>	<u>\$ 669,505</u>

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. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Note 5 – Defined Benefits Pension Plan: (continued)

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% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575–579.

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.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited 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.

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

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Note 5 – Defined Benefits Pension Plan: (continued)

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 elected the EPC plan for all employees. The District's contributions to the plan totaled \$72,481 for the year ended June 30, 2018 of which 50% or \$36,241 is considered employees contributions for reporting purposes. Total contributions were based on a rate of 28.00% of covered compensation.

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

At June 30, 2018 the District reported a liability of \$509,506 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2017. At June 30, 2017, the District's proportion was .00383% while fiscal year 2016 the proportionate rate was .00308%.

For the year ended June 30, 2018, the District recognized pension expense of \$46,869. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual		
Experience	\$ -	\$ 33,434
Net difference between projected and actual		
earnings on pension plan investments	3,308	-
Change of assumptions	33,801	-
Changes in proportion and differences between		
District contributions and proportionate share		
of contributions	<u>99,246</u>	<u>35,628</u>
	<u>\$ 136,355</u>	<u>\$ 69,062</u>

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Note 5 – Defined Benefits Pension Plan: *(continued)*

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:

2019	\$ 177
2020	21,137
2021	12,199
2022	4,729
2023	21,099
2024	<u>7,952</u>
	<u><u>\$ 67,293</u></u>

In addition, \$36,241 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, 2018.

Actuarial assumptions:

The total pension liability at June 30, 2017 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	2.75%
Payroll growth assumption for future years	5%, including inflation
Investment rate of return	7.50%
Productivity pay increases:	0.5% Plus
Salary increases	
Regular:	4.25% to 9.15%
Police/Fire:	4.55% to 13.90%
Consumer Price Index	vary by service, including inflation
Other assumptions	2.75% Same as those used in the June 30, 2017 funding actuarial valuation

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Note 5 – Defined Benefits Pension Plan: (*continued*)

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 PERS's current long-term geometric expected real rates of return for each asset class included in the plan's investment portfolio as of June 30, 2017 are included in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return*</u>
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

*As of June 30, 2017, PERS' long-term inflation assumption was 2.75%.

Discount Rate: The discount rate used to measure the total pension liability was 7.50% as of June 30, 2017. 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 7.50 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

Current		
1% Decrease	Discount Rate	1% Increase
<u>(6.50%)</u>	<u>(7.50%)</u>	<u>(8.50%)</u>
\$770,231	\$509,506	\$292,970

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Note 5 – Defined Benefits Pension Plan: (*continued*)

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, 2018, 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, 2018 was \$9,639. 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, 2018

Note 6 – Post-Employment Benefits Other Than Pensions: (continued)

Total OPEB Liability:

The District's total OPEB liability of \$139,226 was measured as of June 30, 2018 and was determined by the alternative measurement method. The following assumptions and other inputs, applied to all periods included in the measurement, were used in the measurement.

Discount rate (based on the S&P Municipal Bond 20 Year High-Grade Rate Index)	2.66%
Healthcare cost trends	5.2%-6.1%
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, 2018, 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, 2017	\$ 145,008
Changes for the year:	
Interest	3,857
Benefit payments	<u>(9,639)</u>
Balance June 30, 2018	<u>\$ 139,226</u>

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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 Fund must advance cash to the funds until reimbursements are received.

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.) whereby the District collects assessment revenue from its users on behalf of the U.S.B. certain expenses are also shared by both entities.

The following are related party transactions for the year ended June 30, 2018:

	<u>TOTAL</u>	<u>DISTRICT</u>	<u>U.S.B.</u>
Delinquent assessments receivable	<u>\$148,781</u>	<u>\$ 113,473</u>	<u>\$ 35,308</u>
Rent paid or accrued by U.S.B.	<u>\$ 7,583</u>	<u>\$ -</u>	<u>\$ 7,583</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 106 members.

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Note 8 – Risk Management: (continued)

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.

Note 10- Federal Grants:

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. 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, 2018. In October 2017, an additional amendment was signed in which the performance period was extended to September 30, 2021.

Bureau of Reclamation – Lower Plymouth Pipeline Implementation Project

The District received a federal grant on January 7, 2018, to install approximately 2,358 linear feet of 36" diameter poly pipe along the Plymouth Canal. The estimated project cost is \$156,907 with federal participation up to the lesser of 50% of actual cost or \$73,500. The grant period ends December 31, 2019.

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Bureau of Reclamation – Saroni Canal Water Conservation Project

The District received a federal grant on January 7, 2018, to construct a 60" 500 foot pipeline and install two flow measurement structures in the Saroni Canal. The estimated project cost is \$150,950 with federal participation up to the lesser of 50% of actual cost or \$71,796. The grant term ends September 30, 2018.

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

The District is actively involved in two lawsuits involving water right issues. The financial impact of these actions, or any other that may be filed against the District, is not determinable at June 30, 2018. However, the District believes it has adequate insurance to cover any potential monetary judgments.

Note 12– Excess Expenses Over Budget Appropriations:

Pursuant to NRS Chapter 539, the District is not required to file a budget with the Nevada Department of Taxation; however, the District does adopt annual budgets, based on the modified accrual basis of accounting, for all funds except the Federal Grants Fund and Ditch Companies Fund. The District's Local Improvement District No.2 – River West and, Local Improvement District No. 4 – Saroni Canal had expenses in excess of budgeted appropriations.

Note 13– Subsequent Events:

Management has evaluated subsequent events through August 31, 2018, which is the date the financial statements were available to be issued.

WALKER RIVER IRRIGATION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Note 14 – Accounting Changes and Restatements:

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which changes how governments report other postemployment benefits (OPEB) expense and liability. The provisions of Statement No. 75 became effective for financial statements for fiscal years beginning after June 15, 2017.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82, *Pension Issues*, which clarified how governments report pension contributions made on behalf of employees. The provisions of Statement No. 82 became effective for financial statements for fiscal years beginning after June 15, 2016. However, the Statement was not implemented by the District until the current fiscal year.

The June 30, 2017 net position for the District has been restated to reflect the amounts that would have been reported if the provisions of the Statements had been effective at that date.

June 30, 2017 net position as previously reported	\$12,539,937
Net OPEB liability previously not reported	(145,008)
Deferred pension outflows	
Previously reported	\$66,343
Restated	<u>58,835</u> (7,508)
Post measurement date pension contributions	
Previously reported	\$68,591
Restated	<u>34,296</u> (34,295)
June 30, 2017 net position as restated	<u>\$12,353,126</u>

The prior year information presented for comparison purposes has also been restated.

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Schedule of District's Proportionate Share 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%

WALKER RIVER IRRIGATION DISTRICT, NEVADA
SCHEDULE OF THE DISTRICT'S
OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY
NEVADA PUBLIC EMPLOYEES BENEFIT PLAN (PEBP)

2018

Total OPEB liability

Interest	\$ 3,857
Benefit payments (premiums to PEBP)	<u>(9,639)</u>
Change in OPEB Liability	(5,782)
Total OPEB Liability, Beginning	<u>145,008</u>
Total OPEB Liability, End	<u>\$ 139,226</u>

Notes:

The same discount rate and assumptions were used to measure the beginning and ending liabilities in 2018, the year GASB Statement 75 was implemented.

There is no covered employee payroll because the plan is closed to current employees.

WALKER RIVER IRRIGATION DISTRICT, NEVADA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENSES

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2018

(With Comparative Totals For The Year Ended June 30, 2017)

	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance</u>	<u>Prior Year</u>
Revenues				
Assessments levied	\$ 680,349	\$ 678,442	\$ (1,907)	\$ 684,048
District well water sales	-	8,909	8,909	4,791
Assessment penalties and interest	2,500	6,942	4,442	7,024
Pasture and property leases	25,000	-	(25,000)	26,713
Rent, U.S.W.C.	6,500	7,400	900	6,500
Inspection fees	300	-	(300)	-
Miscellaneous revenue	<u>20,000</u>	<u>575</u>	<u>(19,425)</u>	<u>2,193</u>
Total Revenues	<u>734,649</u>	<u>702,268</u>	<u>(32,381)</u>	<u>731,269</u>
Expenditures				
Salaries and wages	200,000	179,208	20,792	160,205
Payroll taxes	4,000	5,513	(1,513)	6,571
Group insurance	60,000	68,139	(8,139)	60,557
Industrial insurance	3,000	3,403	(403)	3,899
Pension expense	45,000	47,561	(2,561)	42,049
Retirees group insurance	9,500	9,639	(139)	9,712
Fuel, oil and grease	5,000	2,484	2,516	2,069
Repairs and maintenance	10,000	6,872	3,128	7,714
Supplies and small tools	-	420	(420)	-
Telephone and internet	6,000	5,617	383	4,044
Utilities	3,500	3,282	218	3,194
Legal	300,000	129,759	170,241	257,415
Accounting and audit	25,000	20,000	5,000	20,000
Consulting and other professional fees	8,450	6,624	1,826	-
Office expense	20,000	17,540	2,460	21,354
Computer expense	10,000	5,058	4,942	6,109
Property taxes and assessments	10,000	15,471	(5,471)	11,111
Fees and permits	-	58	(58)	-
Insurance and bonding	20,000	15,049	4,951	14,604
Miscellaneous expenses	3,000	2,860	140	1,923

WALKER RIVER IRRIGATION DISTRICT, NEVADA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENSES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals For The Year Ended June 30, 2017)

	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance</u>	<u>Prior Year</u>
Travel	\$ 7,000	\$ 3,870	\$ 3,130	\$ 1,391
Advertising, dues and subscriptions	1,000	2,341	(1,341)	2,220
District well expense	-	10,146	(10,146)	6,903
S.C.A.D.A.	-	-	-	-
Training and education	5,000	2,175	2,825	1,496
Public relations	6,000	1,266	4,734	735
Election expense	-	-	-	371
Capital outlay	<u>35,500</u>	<u>31,080</u>	<u>4,420</u>	<u>-</u>
 Total Expenditures	 <u>796,950</u>	 <u>595,435</u>	 <u>201,515</u>	 <u>645,646</u>
 Excess (Deficiency) of Revenues over Expenditures	 <u>(62,301)</u>	 <u>106,833</u>	 <u>169,134</u>	 <u>85,623</u>
 Other Sources				
Interest income	<u>5,000</u>	<u>3,058</u>	<u>(1,942)</u>	<u>4,078</u>
 Excess of Revenues and Other Sources over Expenditures and Other Uses	 <u>\$ (57,301)</u>	 <u>\$ 109,891</u>	 <u>\$ 167,192</u>	 <u>\$ 89,701</u>

WALKER RIVER IRRIGATION DISTRICT, NEVADA

RESERVOIR FUND

SCHEDULE OF REVENUES, EXPENSES

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2018

(With Comparative Totals For The Year Ended June 30, 2017)

	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance</u>	<u>Prior Year</u>
Revenues				
Assessments levied	\$ 286,143	\$ 282,390	\$ (3,753)	\$ 235,828
Pasture and property leases	12,550	18,905	6,355	46,900
Reservoir concessions	34,200	33,793	(407)	-
Measuring and monitoring	10,000	-	(10,000)	-
Internal labor sales	-	7,588	7,588	-
 Total Revenues	 <u>342,893</u>	 <u>342,676</u>	 <u>(217)</u>	 <u>282,728</u>
 Expenditures				
Salaries and wages	55,000	51,967	3,033	19,673
Payroll taxes	2,500	2,956	(456)	2,391
Group insurance	25,000	14,792	10,208	-
Industrial insurance	2,000	2,138	(138)	1,464
Pension expense	9,000	7,362	1,638	-
Fuel, oil and grease	2,500	7,900	(5,400)	7,107
Repairs and maintenance	40,000	10,532	29,468	7,112
Repairs and maintenance, Bridgeport	3,500	-	3,500	-
Supplies and small tools	150	1,368	(1,218)	-
Telephone and internet	1,200	2,730	(1,530)	1,669
Utilities	700	482	218	443
Legal	25,000	17,208	7,792	24,524
Consulting and other professional fees	12,500	36,530	(24,030)	59,911
Surveying and engineering	10,000	-	10,000	-
Computer expense	2,000	97	1,903	-
Property taxes and assessments	45,000	35,810	9,190	35,120
Fees and permits	20,000	23,681	(3,681)	18,680
Miscellaneous expenses	2,200	103	2,097	33
Travel	-	(197)	197	29
Monitoring and gauging expense	31,500	20,910	10,590	26,445
Training and education	-	-	-	645
Cloud seeding	31,000	1,464	29,536	13,662
River dredging and maintenance	7,500	-	7,500	1,700

WALKER RIVER IRRIGATION DISTRICT, NEVADA
RESERVOIR FUND
SCHEDULE OF REVENUES, EXPENSES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals For The Year Ended June 30, 2017)

	<u>Budget</u>	<u>Actual</u>	Budget Variance	Prior Year
Emergency Action Plan	\$ -	\$ 70,167	\$ (70,167)	\$ -
Interfund charges	-	21,378	(21,378)	42,581
Capital Outlay	7,500	-	7,500	-
Contingency	<u>8,584</u>	<u>-</u>	<u>8,584</u>	<u>-</u>
Total Expenditures	<u>344,334</u>	<u>329,378</u>	<u>14,956</u>	<u>263,189</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (1,441)</u>	<u>\$ 13,298</u>	<u>\$ 14,739</u>	<u>\$ 19,539</u>

WALKER RIVER IRRIGATION DISTRICT, NEVADA

EQUIPMENT FUND

SCHEDULE OF REVENUES, EXPENSES

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2018

(With Comparative Totals For The Year Ended June 30, 2017)

	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance</u>	<u>Prior Year</u>
Revenues				
Assessments levied	\$ 140,072	\$ 139,820	\$ (252)	\$ 120,642
Outside equipment rental/labor sales	40,000	47,201	7,201	3,743
Internal labor sales	2,500	138,061	135,561	311,353
Internal equipment rental	20,000	-	(20,000)	-
Material sales	3,000	26,973	23,973	461
Miscellaneous revenue	-	3,867	3,867	160
 Total Revenues	 205,572	 355,922	 150,350	 436,359
 Expenditures				
Salaries and wages	80,000	124,093	(44,093)	211,281
Payroll taxes	1,500	6,167	(4,667)	12,389
Group insurance	34,000	32,910	1,090	47,603
Industrial insurance	3,500	5,742	(2,242)	4,100
Pension expense	19,500	17,558	1,942	26,590
Fuel, oil and grease	15,000	14,359	641	3,755
Vehicle expense	2,000	5,095	(3,095)	5,225
Repairs and maintenance	10,000	28,960	(18,960)	15,018
Supplies and small tools	3,000	4,552	(1,552)	3,489
Materials	1,000	27,110	(26,110)	4,110
Propane	200	-	200	-
Telephone and internet	2,000	2,742	(742)	3,516
Utilities	2,250	3,142	(892)	3,196
Consulting and other professional fees	-	7,355	(7,355)	-
Fees and permits	-	26	(26)	7
Miscellaneous expenses	8,000	591	7,409	190
Travel	-	31	(31)	-
Advertising, dues and subscriptions	-	-	-	4
Interfund charges	-	4,074	(4,074)	-
Capital Outlay	<u>331,000</u>	<u>174,004</u>	<u>156,996</u>	<u>316,760</u>
 	 512,950	 458,511	 54,439	 657,233

WALKER RIVER IRRIGATION DISTRICT, NEVADA
EQUIPMENT FUND
SCHEDULE OF REVENUES, EXPENSES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals For The Year Ended June 30, 2017)

	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance</u>	<u>Prior Year</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (307,378)	\$ (102,589)	\$ 95,911	\$ (220,874)
Other Sources				
Proceeds from vehicle sales	<u>1,200</u>	<u>-</u>	<u>1,200</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures				
	<u>\$ (306,178)</u>	<u>\$ (102,589)</u>	<u>\$ 97,111</u>	<u>\$ (220,874)</u>

WALKER RIVER IRRIGATION DISTRICT, NEVADA
WATER DISTRIBUTION FUND - HIGH DITCH
SCHEDULE OF REVENUES, EXPENSES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals For The Year Ended June 30, 2017)

	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance</u>	<u>Prior Year</u>
Revenues				
Assessments levied	\$ 9,480	\$ 10,070	\$ 590	\$ 8,869
Expenditures				
Salaries and wages	2,000	3,020	(1,020)	2,000
Payroll taxes	600	289	311	181
Industrial insurance	300	124	176	106
Fuel, oil and grease	-	1,472	(1,472)	2,509
Repairs and maintenance	5,500	22	5,478	-
Supplies and small tools	65	-	65	-
Telephone and internet	65	20	45	40
Legal	500	-	500	-
Computer expense	350	240	110	165
Miscellaneous expenses	100	-	100	-
Interfund charges	-	616	(616)	1,708
Total Expenditures	<u>9,480</u>	<u>5,803</u>	<u>3,677</u>	<u>6,709</u>
Excess (Deficiency) of Revenues over Expenditures	\$ -	\$ 4,267	\$ 4,267	\$ 2,160

WALKER RIVER IRRIGATION DISTRICT, NEVADA
LOCAL IMPROVEMENT DISTRICT NO. 1 - SMITH VALLEY
SCHEDULE OF REVENUES, EXPENSES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals For The Year Ended June 30, 2017)

	<u>Budget</u>	<u>Actual</u>	Budget Variance	Prior Year
Revenues				
Assessments levied	\$ 7,570	\$ 7,705	\$ 135	\$ 7,701
Expenditures				
Salaries and wages	500	-	500	-
Payroll taxes	100	-	100	-
Industrial insurance	120	-	120	-
Fuel, oil and grease	550	327	223	-
Repairs and maintenance	5,000	-	5,000	-
Supplies and small tools	200	-	200	-
Legal	1,000	-	1,000	-
Miscellaneous expenses	100	-	100	-
Interfund charges	-	672	(672)	-
Total Expenditures	7,570	999	6,571	-
Excess (Deficiency) of Revenues over Expenditures	\$ -	\$ 6,706	\$ 6,706	\$ 7,701

WALKER RIVER IRRIGATION DISTRICT, NEVADA
LOCAL IMPROVEMENT DISTRICT NO. 2 - RIVER WEST
SCHEDULE OF REVENUES, EXPENSES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals For The Year Ended June 30, 2017)

	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance</u>	<u>Prior Year</u>
Revenues				
Assessments levied	<u>\$ 16,358</u>	<u>\$ 17,763</u>	<u>\$ 1,405</u>	<u>\$ 17,801</u>
Expenditures				
Salaries and wages	3,000	-	3,000	-
Payroll taxes	100	-	100	-
Industrial insurance	120	-	120	-
Fuel, oil and grease	1,500	610	890	7,790
Repairs and maintenance	10,200	10,992	(792)	15,544
Supplies and small tools	238	-	238	-
Legal	1,000	1,595	(595)	1,925
Miscellaneous expenses	200	-	200	-
Interfund charges	-	<u>4,522</u>	<u>(4,522)</u>	<u>41,258</u>
Total Expenditures	<u>16,358</u>	<u>17,719</u>	<u>(1,361)</u>	<u>66,517</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ -</u>	<u>\$ 44</u>	<u>\$ 44</u>	<u>\$ (48,716)</u>

WALKER RIVER IRRIGATION DISTRICT, NEVADA
LOCAL IMPROVEMENT DISTRICT NO. 3- RIVER EAST
SCHEDULE OF REVENUES, EXPENSES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals For The Year Ended June 30, 2017)

	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance</u>	<u>Prior Year</u>
Revenues				
Assessments levied	<u>\$ 41,194</u>	<u>\$ 41,218</u>	<u>\$ 24</u>	<u>\$ 41,137</u>
Expenditures				
Salaries and wages	4,500	-	4,500	-
Payroll taxes	100	-	100	-
Industrial insurance	120	-	120	-
Fuel, oil and grease	1,500	1,507	(7)	11,389
Repairs and maintenance	30,400	26,892	3,508	20,302
Supplies and small tools	300	-	300	-
Legal	4,000	825	3,175	1,237
Miscellaneous expenses	274	-	274	-
Interfund charges	-	<u>7,966</u>	<u>(7,966)</u>	<u>44,646</u>
Total Expenditures	<u>41,194</u>	<u>37,190</u>	<u>4,004</u>	<u>77,574</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ -</u>	<u>\$ 4,028</u>	<u>\$ 4,028</u>	<u>\$ (36,437)</u>

WALKER RIVER IRRIGATION DISTRICT, NEVADA
LOCAL IMPROVEMENT DISTRICT NO. 4 - SARONI
SCHEDULE OF REVENUES, EXPENSES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals For The Year Ended June 30, 2017)

	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance</u>	<u>Prior Year</u>
Revenues				
Assessments levied	<u>\$ 79,020</u>	<u>\$ 79,185</u>	<u>\$ 165</u>	<u>\$ 79,181</u>
Expenditures				
Salaries and wages	12,200	12,000	200	10,400
Payroll taxes	1,000	1,152	(152)	1,110
Industrial insurance	750	494	256	269
Fuel, oil and grease	2,700	4,464	(1,764)	1,935
Vehicle expense	1,000	-	1,000	15
Repairs and maintenance	17,200	37,004	(19,804)	25,008
Supplies and small tools	500	45	455	17
Chemicals and spray	-	-	-	1,022
Telephone and internet	800	286	514	209
Legal	2,000	1,430	570	1,238
Consulting and other professional fees	-	32,472	(32,472)	-
Computer expense	1,000	240	760	165
Miscellaneous expenses	500	-	500	-
Projects	39,370	-	39,370	-
Interfund charges	-	41,062	(41,062)	14,126
Total Expenditures	<u>79,020</u>	<u>130,649</u>	<u>(51,629)</u>	<u>55,514</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ -</u>	<u>\$ (51,464)</u>	<u>\$ (51,464)</u>	<u>\$ 23,667</u>

WALKER RIVER IRRIGATION DISTRICT, NEVADA
RECONCILIATION OF SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET BASIS -
TO STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals For The Year Ended June 30, 2017)

	Water			
	<u>General</u>	<u>Reservoirs</u>	<u>Distribution</u>	<u>Equipment</u>
Excess of Revenues and Other Sources over Expenditures - Budget Basis	\$ 109,891	\$ 13,298	\$ 4,267	\$ (102,589)
Depreciation included in GAAP basis	(34,715)	(144,748)	(5,229)	(44,858)
Capital outlay included for budget basis but capitalized under GAAP basis	31,080	-	-	174,004
Capital contributions not included for budget basis	-	-	-	-
Difference in retirement expense due to changes in net pension liability not included for budget basis	25,256	3,681	-	(7,138)
Portion of payment for retirees health insurance applied to OPEB liability.	5,782	-	-	-
Difference in salaries and wages due to change in compensated absences not included for budget basis	(18,350)	-	-	(442)
Change in Net Position, funds with adopted budgets	<u>\$ 118,944</u>	<u>\$ (127,769)</u>	<u>\$ (962)</u>	<u>\$ 18,977</u>

Local Improvement Districts

No. 1 <u>(Smith Valley)</u>	No. 2 <u>(River West)</u>	No. 3 <u>(River East)</u>	No. 4 <u>(Saroni)</u>	Totals
				2018 2017
\$ 6,706	\$ 44	\$ 4,028	\$ (51,464)	\$ (163,259)
-	-	-	(8,562)	(238,112) (205,725)
-	-	-	-	205,084 316,760
-	-	-	-	- 10,285
-	-	-	-	21,799 19,744
-	-	-	-	5,782 (3,189)
-	-	-	-	(18,792) (8,492)
<u>\$ 6,706</u>	<u>\$ 44</u>	<u>\$ 4,028</u>	<u>\$ (60,026)</u>	<u>(40,058) (33,876)</u>

Funds for which budgets are not adopted

Federal Grants

Ditch Companies

Change in Net Position, all funds

\$ (40,058) \$ (32,388)

WALKER RIVER IRRIGATION DISTRICT, NEVADA
DITCH COMPANIES
SCHEDULE OF NET POSITION BY DITCH COMPANY
JUNE 30, 2018
(With Comparative Totals For The Year Ended June 30, 2017)

	<u>Campbell</u>	<u>W. Highland</u>	<u>Plymouth</u>	<u>Greenwood</u>
Assets				
Cash	\$ -	\$ -	- -	\$ -
Accounts receivable	5,504	19	22,801	2,449
Prepaid expenses	613	310	475	206
	<u>\$ 6,117</u>	<u>\$ 329</u>	<u>\$ 23,276</u>	<u>\$ 2,655</u>
Liabilities				
Accounts payable	\$ 2,066	13	\$ 13	\$ 12
Employee payroll withholdings	- -	- -	- -	- -
Due to General Fund	4,051	316	23,263	2,643
	<u>6,117</u>	<u>329</u>	<u>23,276</u>	<u>2,655</u>
Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Mickey</u>	<u>Joggles</u>	<u>SAB</u>	<u>Hall</u>	<u>Nichol-Merritt</u>	<u>Colony</u>	<u>2018</u>	<u>2017</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,449	19	19	3,592	4,876	2,903	44,631	36,225	
206	289	289	310	759	-	3,457	-	
<u>\$ 2,655</u>	<u>\$ 308</u>	<u>\$ 308</u>	<u>\$ 3,902</u>	<u>\$ 5,635</u>	<u>\$ 2,903</u>	<u>\$ 48,088</u>	<u>\$ 36,225</u>	
\$ 12	\$ 13	\$ 13	\$ 12	\$ 122	\$ 12	\$ 2,288	1,326	
-	-	-	-	-	-	-	2,389	
<u>2,643</u>	<u>295</u>	<u>295</u>	<u>3,890</u>	<u>5,513</u>	<u>2,891</u>	<u>45,800</u>	<u>32,510</u>	
<u>2,655</u>	<u>308</u>	<u>308</u>	<u>3,902</u>	<u>5,635</u>	<u>2,903</u>	<u>48,088</u>	<u>36,225</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, 2018
(With Comparative Totals For The Year Ended June 30, 2017)

	<u>Campbell</u>	<u>W. Highland</u>	<u>Plymouth</u>	<u>Greenwood</u>
Operating Revenues				
Ditch company services	\$ 25,659	\$ 6,547	\$ 39,624	\$ 6,249
Operating Expenses				
Salaries and wages	11,536	5,600	9,200	4,000
Payroll taxes	1,107	537	883	384
Industrial insurance	474	230	379	165
Gas, oil and grease	-	-	1,593	1,400
Vehicle expense	-	-	-	-
Repairs and maintenance	2,729	-	17,246	-
Supplies and small tools	-	-	-	-
Chemicals and spraying	-	-	-	-
Propane	-	-	-	-
Telephone & internet	-	-	285	60
Consulting and other professional fees	9,573	-	7,950	-
Computer expense	240	180	240	240
Advertising and publication	-	-	-	-
Interfund charges	-	-	1,848	-
Other miscellaneous	-	-	-	-
Total Operating Expenses	<u>25,659</u>	<u>6,547</u>	<u>39,624</u>	<u>6,249</u>
Change in Net Position	-	-	-	-
Net Position, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Mickey</u>	<u>Joggles</u>	<u>SAB</u>	<u>Hall</u>	<u>Nichol-Merritt</u>	<u>Colony</u>	<u>2018</u>	<u>Totals</u> <u>2017</u>
\$ 6,330	\$ 6,548	\$ 6,548	\$ 7,813	\$ 18,023	\$ 16,044	\$ 139,385	\$ 102,985
4,000	5,600	5,600	4,200	14,320	7,750	71,806	59,104
384	538	538	400	1,374	751	6,896	6,831
164	230	230	173	589	319	2,953	4,052
1,400	-	-	2,800	1,006	200	8,399	14,473
-	-	-	-	-	-	-	30
82	-	-	-	-	6,083	26,140	10,104
-	-	-	-	-	148	148	186
-	-	-	-	-	-	-	1,517
-	-	-	-	-	-	-	-
60	-	-	-	494	251	1,150	1,235
-	-	-	-	-	-	17,523	-
240	180	180	240	240	150	2,130	1,305
-	-	-	-	-	-	-	-
-	-	-	-	-	392	2,240	2,660
-	-	-	-	-	-	-	-
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6,330	6,548	6,548	7,813	18,023	16,044	139,385	101,497
-	-	-	-	-	-	-	1,488
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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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 Trustees
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, each major fund of the Walker River Irrigation District, Nevada, as of and for the year ended June 30, 2018, 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 August 31, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Walker River Irrigation District, Nevada's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate 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, Nevada's internal control. Accordingly, we do not express an opinion on the effectiveness of the Walker River Irrigation District, Nevada'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 that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Walker River Irrigation District, Nevada's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 Standard in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Sciarini & Co." The signature is fluid and cursive, with a large, stylized 'S' at the beginning.

Yerington, Nevada
August 31, 2018

WALKER RIVER IRRIGATION DISTRICT, NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018

A. Summary of Auditor's Results:

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted? No

B. Findings – Financial Statement Audit

None



Walker River Irrigation District

Established in 1919

STATUS OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED JUNE 30, 2018

2017-001 Internal Control – Procurement Suspension and Debarment

Criteria: The Uniform Guidance prohibits non-Federal entities from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred.

Condition: The District's procurement policy requires obtaining a suspension or debarment certification from the entity or by checking the System for Award Management (SAM) Exclusions to verify that the contracted vendors are not suspended or debarred. One vendor was awarded a contract prior to that vendor's registration with SAM. The grant expenditures of \$27,461 were recorded in the District's NFWF grant general ledger account; however, the District did not request a claim for reimbursement on said expenditure until the vendor was registered with SAM.

Effect of Condition: Contracts awarded to suspended or debarred parties could result in a liability to the District as unallowable costs.

Cause of Condition: The District was awaiting the vendor's certification and the vendor's certification was not timely obtained.

Questioned Costs: \$27,461

Recommendation: We recommend District enhance procedures to verify the suspension and debarment status of vendors to ensure a vendor is certified prior to a procurement award.

Auditee View: The District acknowledges the finding and has modified policy. The District worked with the vendor to complete registration, unfortunately it was not completed in a timely manner and before the conclusion of the fiscal year.

Current Status: The District modified its policy to include checking for disbarment and/or suspension via SAM.gov prior to utilizing a vendor.



INDEPENDENT ACCOUNTANT'S REPORT ON
NEVADA REVISED STATUTES 354.6241

To the Honorable Board of Trustees
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, Nevada as of and for the year ended June 30, 2018 that:

- The identified fund is being used expressly for the purposes for which it was created.
- The Fund is administered in accordance with accounting principles generally accepted in the United States of America.
- The unrestricted net position in the fund was reasonable and necessary to carry out the purposes of the funds at June 30, 2018 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau).
- The sources of revenues, including transfers, available for the fund are as noted in the financial statements.
- The fund conforms to significant statutory and regulatory constraints on their financial statements administration during the year ended June 30, 2018.

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

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.

A handwritten signature in black ink that reads "Sclarani & Co." followed by a period. The signature is written in a cursive, flowing style.

Yerington, Nevada
August 31, 2018

WALKER RIVER IRRIGATION DISTRICT, NEVADA
INDEPENDENT AUDITOR'S COMMENTS
JUNE 30, 2018

The following are our recommendations in accordance with NRS 354.624:

STATUTE COMPLIANCE

The required disclosure on compliance with Nevada Revised Statutes and Administrative Code is contained in Note 8 to the financial statements.

STATUS OF PRIOR YEAR RECOMMENDATIONS

Any recommendations made for fiscal year ended June 30, 2017, along with the status of those recommendations, are presented in the Status of Prior Year Findings and Questioned Costs found within this financial report.

CURRENT YEAR AUDIT RECOMMENDATIONS

Any weaknesses in accounting controls would be identified in the Schedule of Findings and Responses found within this financial report.