



SOUTHERN NEVADA WATER AUTHORITY

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2010



McConnell Residence, 2010 SNWA Landscape Awards winner

The SNWA's Water Smart Landscapes program rebates customers \$1.50 per square foot of grass removed and replaced with desert landscaping, a lush yet water-efficient alternative. A recent survey revealed that more than 95 percent of program participants praised the benefits of less yard work in addition to saving water and money. To learn more about the rebate program, visit snwa.com.



Comprehensive Annual Financial Report

Fiscal Year End June 30, 2010

Shari Buck, Chair, City of North Las Vegas Councilman
Steven Kirk, Vice Chair, City of Henderson Councilman
Susan Brager, County Commissioner (representing Las Vegas Valley Water District)
Tom Collins, County Commissioner (representing Clark County Water Reclamation District)
Duncan McCoy, City of Boulder City Councilman
Steve Sisolak, County Commissioner (representing Big Bend Water District)
Lois Tarkanian, City of Las Vegas Councilman

Patricia Mulroy
General Manager

Cary M. Casey
Treasurer

Prepared by the Finance Department
Randall Buie, SNWA Controller
1001 South Valley View Blvd., Las Vegas, Nevada 89153
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Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2010

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Southern Nevada Water Authority

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INTRODUCTORY SECTION





SOUTHERN NEVADA WATER AUTHORITY

1001 South Valley View Boulevard • Las Vegas, NV 89153
(702) 258-3939 • snwa.com

November 16, 2010

Board of Directors
Southern Nevada Water Authority
1001 South Valley View Boulevard
Las Vegas, Nevada 89153

We are pleased to present the Southern Nevada Water Authority's (SNWA) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. SNWA's MD&A can be found beginning on page 2-3 immediately following the report of the independent auditors.

FORMAL TRANSMITTAL OF THE CAFR

This report was prepared by SNWA staff, in accordance with current accounting and financial reporting principles promulgated by the Governmental Accounting Standards Board (GASB). The presentation of data is designed to conform to guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). SNWA management is solely responsible for the accuracy of the data presented and the completeness and fairness of presentation, including all disclosures. We believe the data to be accurate in all material respects and reported in a manner designed to fairly set forth the financial position and results of SNWA's financial activities and operations.

We believe SNWA's internal controls over financial reporting adequately safeguard SNWA's assets and provide reasonable assurance of proper recording of financial transactions and the preparation of financial statements and accompanying information. In developing and evaluating SNWA's accounting and financial reporting system, consideration is given to the adequacy of such internal controls. These controls are designed to provide reasonable assurance regarding safeguarding assets against loss from unauthorized use or disposition and also to prevent fraudulent financial reporting. The controls enhance the reliability of financial records for preparing financial statements and maintaining accountability of SNWA assets. Reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from that control, and the evaluation of costs and benefits requires estimates and judgments by management. SNWA is committed to continually improve and strengthen its internal control procedures.

Bond covenants and state statutes require an annual audit of SNWA's basic financial statements. This year, the independent public accounting firm of Piercy Bowler Taylor & Kern, Certified Public Accountants and Business Advisors, performed the audit. Their report on the basic financial statements, which contains an unqualified opinion, is included in the financial section.

The independent audit of the basic financial statements of SNWA was part of a broader, federally-mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The regulatory provisions governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the government's internal controls and compliance with legal requirements involving administration of federal awards. This report is available in a separate Single Audit Compliance Report.

SNWA MEMBER AGENCIES

Big Bend Water District • Boulder City • Clark County Water Reclamation District • City of Henderson • City of Las Vegas • City of North Las Vegas • Las Vegas Valley Water District

PROFILE OF SNWA

Basic Information -- SNWA is a political subdivision of the State of Nevada (the State), created in 1991 by a cooperative agreement among its member agencies. SNWA was created to address southern Nevada's unique water needs on a regional basis and was charged with acquiring and managing current and future resources for southern Nevada, constructing and managing regional water facilities and promoting water conservation. SNWA is governed by a seven-member Board of Directors (the Board) comprised of one director from each of its seven member agencies. Because its operations are autonomous from its member agencies and the State SNWA's financial statements are not included in the financial statements of any other entity.

The Las Vegas Valley Water District (LVVWD) serves under contract as the operating agent for SNWA. In that capacity, LVVWD previously paid substantially all operating and capital expenses on behalf of SNWA and was reimbursed by SNWA. As payments for the SNWA Capital Improvement Plan increased to current levels, SNWA began paying construction contracts directly. Currently, SNWA directly pays most of the cost of the power required to operate the Southern Nevada Water System.

Accounting System -- The SNWA accounting system is structured on the basis of fund accounting. In governmental accounting, a fund is a self-contained accounting entity with its own set of assets, liabilities, revenues, expenditures or expenses and fund balance. SNWA uses a single enterprise fund to present its financial operations. The enterprise fund is used to account for SNWA operations using full accrual accounting in a manner similar to a private business enterprise. It is the intent of SNWA to establish water rates and other charges at levels sufficient to provide for payment of general operations and maintenance expenses as well as capital improvements and required annual debt service. Under full accrual accounting, revenues are recognized when earned and expenses (including depreciation) as incurred.

Budgetary Controls -- As required by Nevada statutes, the Board approves SNWA's budget annually following a public hearing. A copy of the approved budget is then submitted to the Nevada Department of Taxation. Budgetary controls are established at the levels of total estimated operating and non-operating expenses. SNWA is a self-supporting operation of a commercial nature, which also receives a portion of the ¼ penny sales tax known as the Clark County Tax for Infrastructure. Revenues and expenditures will vary, depending on the timing and level of demand for services.

The budget effectively controls expenditures at various levels. Most disbursements are made through the issuance of purchase orders or in connection with approved contracts. The Support Services Department administers purchasing of new furniture, vehicles and communication equipment. The Information Systems Department administers computer equipment purchases. Financial Services prepares periodic variance reports by division. In addition, departments can access budget and actual information in real time throughout SNWA's computer network. Division managers are accountable for over/under expenditures. The Human Resources Department controls new positions. All of the departments referred to above are LVVWD departments that provide support for SNWA.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy – Las Vegas and its surrounding areas in Clark County have been negatively impacted by recent economic conditions. According to calendar year 2009 statistics provided by the Las Vegas Convention and Visitors' Authority, the total visitor count to the Las Vegas metropolitan area was 36.4 million, down 3.0% from the previous year's volume. Approximately 42% of all Las Vegas visitors arrive by air via McCarran International Airport, an international port of entry and one of the twenty busiest airports in the world.

A significant decrease in building permits has also affected not only the revenue streams of SNWA but also the revenues of many other ancillary businesses throughout Clark County. Information from the Clark County Department of Development Services shows that the number of permits issued for residential properties and hotels in the area fell 24.7% in calendar 2009. When compared to 2004, the year in which the most permits were issued, 2009's volume plunged 86.0%.

According to the U.S. Bureau of Census, Clark County experienced a population increase of 85.6% during the decade of the 1990s, up from 741,459 in 1990 to 1,375,765 in 2000. As of June 30, 2009, the population of Clark County was estimated to be just under 2.0 million. Experts forecast Clark County's population to exceed 2.38 million residents by 2015.

The employment picture for the area has also been seriously affected by the current economic slowdown. Statistics from the Nevada Department of Employment, Training and Rehabilitation shows that for the period from July 1, 2009 to June 30, 2010, the workforce in the Clark County area decreased 1.2% from 986,400 to 974,700, and total employment fell 3.6% from 863,900 to 833,200. This has resulted in a record 14.5% unemployment rate for the area as of June 30, 2010, up from 12.4% a year ago and representing a 16.9% increase in unemployment over the twelve month period.

Median home prices have also seen a sharp decline in recent years. For example the median price for a home in the Las Vegas metropolitan area in 1995 was \$125,100. The price peaked in 2005 at \$349,900 and has since tumbled to \$140,000 as of June 30, 2010.

Long-term financial planning – SNWA's mission is to manage the region's water resources and develop solutions that will ensure adequate future water supplies for the Las Vegas Valley. To accomplish this, comprehensive capital plans are developed in conjunction with financial plans that show practical methods of paying future capital expenditures and debt service obligations.

Capital projects for the Authority are proposed in response to identified needs for improvements to the facilities that provide for delivery of community water supplies to the members of the Authority. These improvements may be either 1) new facilities to expand or enhance capabilities, 2) new water resources to expand available water supplies, or 3) repair, upgrade or replacement of existing facilities that no longer function as required.

SNWA Engineering issues, and the Board reviews and approves, capital plans annually. The capital plan reflects all capital projects, their projected start and end dates, their projected costs, the gross amount of expended or encumbered funds per project, and the projected future cash requirements. The Finance department models these costs fiscally to project the size and timing of future bond issues as well as probable revenue enhancements that might be needed to pay for the future costs.

As of June 30, 2010, SNWA has slightly less than \$3.2 billion in outstanding general obligation debt (see Note 14 for a discussion of outstanding SNWA debt). SNWA is required to set rates and charges at levels sufficient to cover all operating costs and debt service when combined with accumulated funds. All applicable bond covenants have been met or exceeded.

SNWA has four options to sell debt –

- Have LVVWD issue debt on its behalf,
- Sell its bonds to the State Bond Bank, which then sells the State’s general obligation bonds (per the 1997 Nevada Legislature) ,
- Sell its bonds to the Clark County Bond Bank, which can then sell Clark County general obligation bonds (per the 1999 Nevada Legislature), or
- Issue debt in its own name. However, SNWA cannot make a general obligation (property tax) pledge so interest rates would be higher.

Bond ratings as of June 30, 2010, for the four organizations listed above are –

	Standard Moody's & Poor's	
LVVWD	Aa1	AA+
State of Nevada	Aa2	AA+
Clark County	Aaa	AA+
SNWA	N/A	AA-
LVVWD Commerical Paper	P-1	A-1+

Relevant Financial Policies -- Budgets are developed to maintain balance between recurring revenues and expenditures. These budgets become the financial road maps that assist engineering, operational and administration departments in performing their daily duties in a financially prudent manner and support the Finance department in providing economic plans that can generate sufficient revenues to pay for the projected expenses.

SNWA regards its cash reserves as a critical component of its fiscal health and criteria for an above average bond rating. Cash reserves are monitored regularly and revenue shortfalls are managed through a combination of techniques. Departments are required to practice careful management of financial resources. User fees and charges are adjusted to maintain required revenue bond coverage and sufficient working capital. Financial reserves are used sparingly. When used the reserves are compared to long range projections of reserve levels and modifications to revenue and expense streams are made as needed.

Cash reserves and unspent bond proceeds are invested whenever practical in obligations of the U.S. government, obligations of government-sponsored agencies, certificates of deposit, money market accounts, and corporate commercial paper in accordance with SNWA’s investment policy. Government and agency obligations are purchased through recognized and regulated brokers dealing in government securities. All investments are held by a bank’s trust department in SNWA’s name or are insured or collateralized with securities held by a third party in SNWA’s name. This is constantly reviewed by the state treasurer’s office.

Major Initiatives-- The Colorado River system has experienced below average runoff for much of the last decade. As a result, the total volume of water stored in Lake Mead has been reduced to approximately 41 percent of capacity as of June 2010.

Modeling efforts by the Bureau of Reclamation indicate that Lake Mead water levels could drop below an elevation of 1,050 ft. by 2013 if the average runoff of the past ten years persists. At this elevation, SNWA’s upper Colorado River water intake (Intake No. 1) will become inoperable. Anticipating the loss of Intake No. 1, SNWA has begun construction of Intake No. 3 and has worked diligently to modify existing intakes and pumping systems to mitigate drought effects on capacity and water quality.

The recent reduction in demand has allowed the SNWA to delay some work associated with Intake No. 3, including construction of a pumping station, which will be built when needed to ensure required capacity. However, Intake No. 3 remains an important priority to help protect Southern Nevada's water supply. Continued construction of Intake No. 3 represents the majority of SNWA's capital commitments for the next fiscal year.

SNWA remains focused on its responsibility to ensure the acquisition, treatment and delivery of a reliable and quality water supply to the region. To this end, major activities in the next fiscal year will include:

- Operation and maintenance of facilities to treat and deliver water resources. These include the Alfred Merritt Smith Water Treatment Facility and the River Mountains Water Treatment Facility.
- Continue conservation education incentive programs to maximize available water supplies.
- Continue to work with state, local and federal agencies to develop and operate joint facilities that provide regional solutions to water quality, supply and environmental issues on the Colorado River, including bi-national negotiations with the U.S. and Mexico regarding the development of desalination facilities.
- Continue to construct Lake Mead Intake No. 3 to protect Southern Nevada from the effects of prolonged drought conditions on the Colorado River.
- Finalize the permitting processes for the Clark, Lincoln and White Pine Counties Groundwater Development Project so that emergency water supplies for the region can be accessed as soon as they are needed.

SEC REQUIREMENT

On November 10, 1994, the Securities and Exchange Commission amended the Securities Exchange Act of 1934, Rule 15c2-12, regarding continuing disclosure by issuers of municipal securities for the benefit of holders of such securities. The amendments require, among other things, that certain annual financial information be provided to various information repositories for bond issues sold on or after July 3, 1995. The annual financial information must include an update of the same financial statements, except for forecasts, that were included in the final official statement issued at the time of the bond sale. The required annual financial information for SNWA is presented in the SEC Disclosure Compliance Section of this report. SNWA forwards copies of its CAFR to appropriate information repositories.

AWARDS AND ACKNOWLEDGMENTS

The GFOA awarded the Certificate of Achievement (CA) for Excellence in Financial Reporting to SNWA for its CAFR for the fiscal year ended June 30, 2009. This was the fourteenth consecutive year that SNWA has achieved this prestigious award.

In order to be awarded a CA, a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

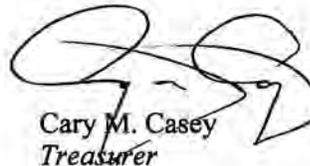
A CA is valid for a period of one year only. We believe that our current CAFR continues to meet to the CA Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

We express our appreciation to all members of SNWA's administrative staff and the independent certified public accounting firm of Piercy Bowler Taylor & Kern. Additionally, we recognize SNWA's Accounting staff for their efforts in preparing this report, especially Randall Buie, SNWA Controller, and Cheryl Styck, Senior Accountant. We also thank the members of the Board for their continued support in the planning and implementation of the financial affairs of SNWA.

Sincerely,

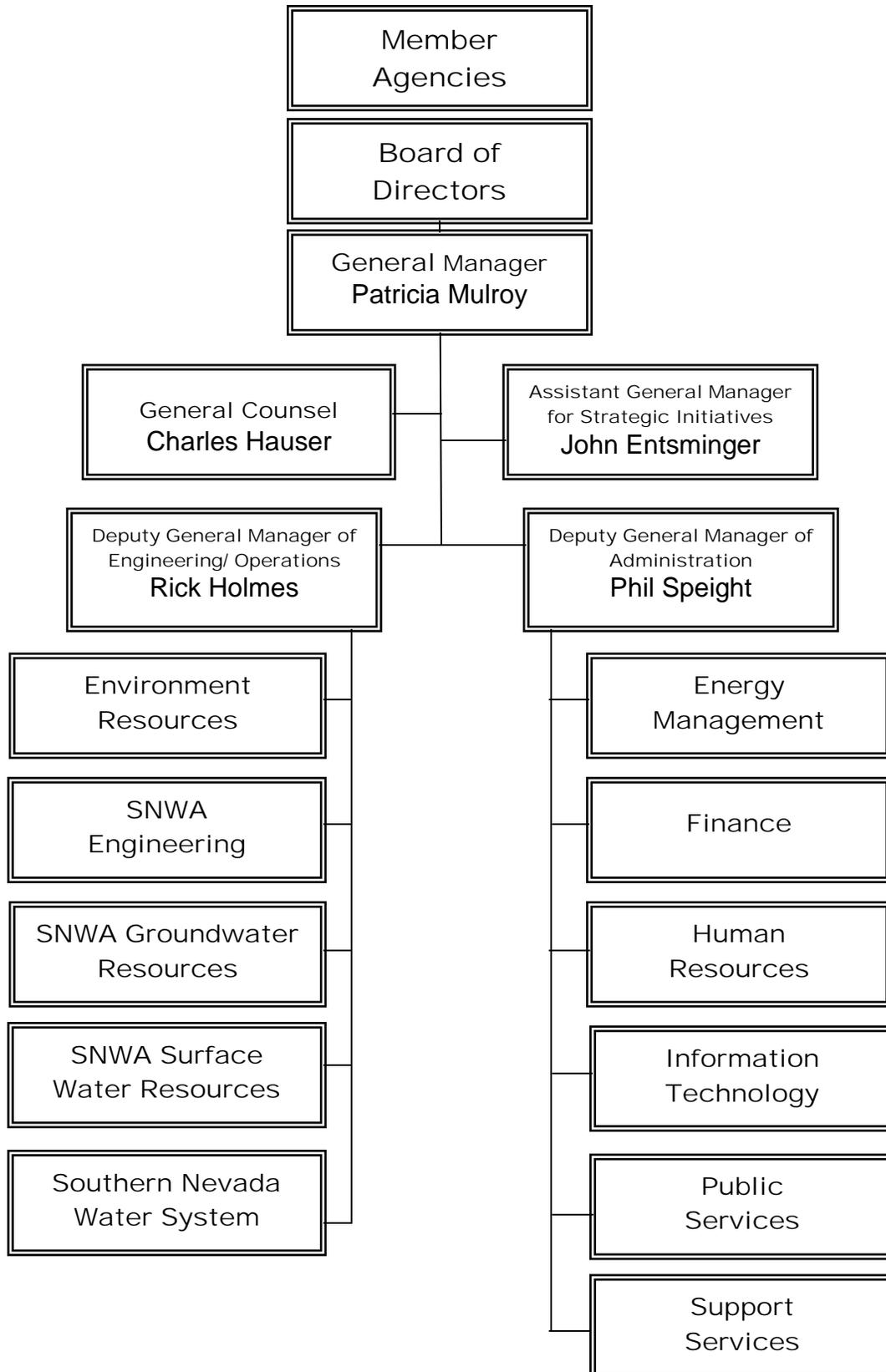


Patricia Mulroy
General Manager



Cary M. Casey
Treasurer

ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Southern Nevada Water Authority

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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FINANCIAL SECTION

P B T K

PIERCY BOWLER
TAYLOR & KERN
Certified Public Accountants
Business Advisors

**INDEPENDENT AUDITORS' REPORT ON FINANCIAL
STATEMENTS AND SUPPLEMENTARY INFORMATION**

Board of Directors
Southern Nevada Water Authority
Las Vegas, Nevada

We have audited the accompanying basic financial statements of the Southern Nevada Water Authority (SNWA) as of and for the years ended June 30, 2010 and 2009, as listed in the table of contents. These financial statements are the responsibility of SNWA's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States, and *Government 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SNWA's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of SNWA, as of June 30, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2010, on our consideration of SNWA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

The management's discussion and analysis on pages 2-3 through 2-9 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and, therefore, express no opinion on it.

Our audits were made for the purpose of forming an opinion on the financial statements that collectively comprise SNWA's basic financial statements. The introductory section, statistical section and the United States Securities and Exchange Commission (SEC) disclosure compliance schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements and have not been subjected to the auditing procedures applied in the audits of the basic financial statements. Accordingly, we express no opinion on them.



November 16, 2010

20th
ANNIVERSARY
2010

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis

For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

The management of the Southern Nevada Water Authority (SNWA) provides readers of SNWA's financial statements this narrative overview and analysis of the financial statements for the fiscal years ended June 30, 2010 and 2009. Readers are encouraged to consider the information presented here in conjunction with the additional information furnished in the letter of transmittal, which begins on page 1-1 of this report, and in the basic financial statements which begin on page 2-11.

Financial Highlights for 2010

- Total assets increased \$407.2 million over the prior year totaling nearly \$4.7 billion.
- Total assets exceed total liabilities at the close of the fiscal year by over \$1.4 billion (fund equity). Fund equity was reduced during the fiscal year by \$56.2 million.
- During the fiscal year, major balance sheet resources were generated from an increase in longterm liabilities (\$488.7 million) primarily from the sale of debt issues during the year. Major balance sheet resources were used during the fiscal year for net additions to capital assets (\$248.1 million), net additions to other assets (\$159.1 million), net decrease in other liabilities (\$25.3 million) and net decrease in fund equity (\$56.2 million).
- During fiscal 2010, SNWA participated in seven debt issues at the following par values –
 - Las Vegas Valley Water District (LVVWD) 2009A \$ 90.0 million
 - LVVWD 2009B \$ 10.0 million
 - SNWA 2009 Refunding \$ 50.0 million
 - SNWA 2009 Water Revenue \$ 2.75 million
 - LVVWD 2009C \$ 348.1 million
 - LVVWD 2009D \$ 72.0 million
 - CRC 2010B Refunding \$ 7.4 million

The LVVWD issues generated funds for future construction projects. The refunding issues and a small portion of LVVWD 2009D refunded select coupons of nine different bond issues giving SNWA much needed cash flow relief. The water revenue bond allows SNWA to draw funds as expended on specific water projects.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to SNWA's basic financial statements, which are comprised of two components: 1) enterprise fund financial statements, and 2) notes to basic financial statements. This Comprehensive Annual Financial Report also contains other supplementary and statistical information in addition to the basic financial statements.

Enterprise fund financial statements. SNWA's operations are accounted for as a single enterprise fund using the full accrual basis of accounting. In this regard, SNWA's operations are accounted for in a manner similar to a private business enterprise. Within this one enterprise fund, SNWA segregates revenues and expenses in its financial statements for various purposes such as operations, debt service and capital improvements. This segregation is an internal discipline and does not create physically separate funds. The enterprise fund financial statements can be found beginning on page 2-11.

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis

For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

Notes to basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found beginning on page 2-17 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents statistical information and Securities and Exchange disclosure compliance schedules. This information and schedules can be found starting on pages 3-1 and 4-1 respectively of this report.

Financial analysis. One indication of the financial health of SNWA is fund equity, which is the difference between assets and liabilities. Changes in fund equity over time may serve as a useful indicator of financial health. The condensed balance sheets below present the fund equity of SNWA for the fiscal years ended June 30, 2010, 2009 and 2008.

Southern Nevada Water Authority
Enterprise Fund
Condensed Balance Sheets
June 30, 2010, 2009 and 2008
(In Millions)

	June 30, 2010	Change	June 30, 2009 (Restated)	Change	June 30, 2008 (Restated)
Capital Assets	\$ 3,908.2	\$ 248.1	\$ 3,660.1	\$ 277.2	\$ 3,382.9
Current and Other Assets	768.7	159.1	609.6	39.2	570.4
Total Assets	\$ 4,676.9	\$ 407.2	\$ 4,269.7	\$ 316.4	\$ 3,953.3
Long-Term Liabilities	\$ 2,731.3	\$ 488.7	\$ 2,242.6	\$ 367.5	\$ 1,875.1
Other Liabilities	504.7	(25.3)	530.0	5.3	524.7
Total Liabilities	3,236.0	463.4	2,772.6	372.8	2,399.8
Fund Equity					
Invested in Capital Assets, Net of Related Debt	995.6	20.4	975.2	(86.1)	1,061.3
Restricted for Debt Service / Capital Assets	16.9	1.7	15.2	(86.8)	102.0
Unrestricted	428.4	(78.3)	506.7	116.5	390.2
Total Fund Equity	1,440.9	(56.2)	1,497.1	(56.4)	1,553.5
Total Liabilities and Fund Equity	\$ 4,676.9	\$ 407.2	\$ 4,269.7	\$ 316.4	\$ 3,953.3

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis

For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

Total assets increased approximately \$407.2 million (9.5%) in fiscal 2010 and approximately \$316.4 million (8.0%) in fiscal 2009. Fiscal 2010's increase was fueled mainly by unspent bond proceeds from four bond issues sold during the fiscal year and additional capital asset creation. This increased capital assets by \$248.1 million (6.8%) and other assets by \$159.1 million (26.1%). Fiscal 2009's increase includes a \$277.2 million (8.2%) increase in capital assets and a \$39.2 million (6.9%) increase in other assets. See Note 7 for further discussion of capital assets.

Total liabilities increased approximately \$463.4 million (16.7%) in fiscal 2010 and approximately \$372.8 million (15.5%) in fiscal 2009. Fiscal 2010's increase was fueled mainly by four new debt issues. The total increase included a \$488.7 million (21.8%) increase in long term liabilities and an \$25.3 million (4.8%) decrease in other liabilities. Fiscal 2009's increase was mainly the result of two new debt issues. The total increase consists of a \$367.5 million (19.6%) increase in long term liabilities and a \$5.3 million (1.0%) increase in other liabilities.

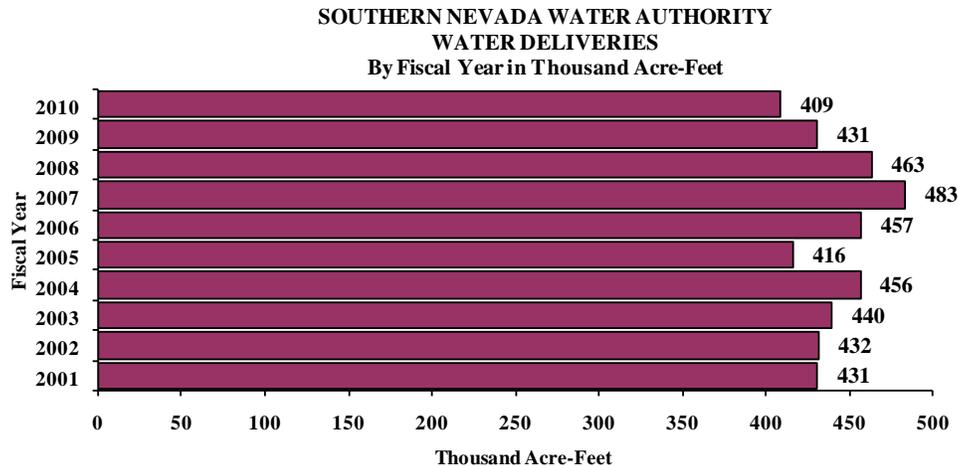
Fund equity decreased \$56.2 million (3.8%) in fiscal 2010 and \$56.4 million (3.6%) in fiscal 2009. Annual capital contributions (mainly regional connection charges and sales tax collections) were lower than debt service requirements for the two fiscal years.

The chart on the following page summarizes the statements of revenues, expenses and changes in fund equity for the fiscal years ended June 30, 2010, 2009 and 2008.

Operating revenues and expenses are defined as noncapital revenues and expenses incurred in the normal course of business. Examples of operating revenues are noncapital fees and charges collected from purveyor members (wholesale delivery charges, Las Vegas Wash operating fees, groundwater fees, etc.). Examples of operating expenses are payroll, power costs, and professional fees.

Wholesale delivery charge revenues decreased \$2.5 million (2.2%) in fiscal 2010 and \$6.2 million (5.2%) in fiscal 2009. Fiscal 2010's lower revenues reflects a decrease in water deliveries during the year (5.1%) somewhat offset by an increase in the wholesale delivery charge. The wholesale delivery charge rate of \$270/acrefoot charged in fiscal 2010 included an increase of \$8/acrefoot over the rate charged in fiscal 2009. Fiscal 2009's decrease was also caused by a reduction in water deliveries (7.0%) slightly offset by a \$5/acrefoot increase in the wholesale delivery charge (from \$257/acrefoot to \$262/acrefoot).

The following chart shows water deliveries by the Southern Nevada Water System over the past ten years.



SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis

For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

Southern Nevada Water Authority Enterprise Fund Condensed Statements of Revenue, Expenses, and Changes in Fund Equity For the Fiscal Years Ended June 30, 2010, 2009 and 2008 (In Millions)

	June 30, 2010	Variance	June 30, 2009 (Restated)	Variance	June 30, 2008 (Restated)
Operating Revenues					
Wholesale Delivery Charges	\$ 110.1	\$ (2.5)	\$ 112.6	\$ (6.2)	\$ 118.8
Other Revenues	4.5	(1.2)	5.7	0.2	5.5
Total Operating Revenues	114.6	(3.7)	118.3	(6.0)	124.3
Total Nonoperating Revenues	7.8	(2.2)	10.0	(14.5)	24.5
Total Revenues	122.4	(5.9)	128.3	(20.5)	148.8
Operating Expenses					
Personnel and Related	37.9	(1.8)	39.7	2.3	37.4
Electric Power	39.7	(0.5)	40.2	5.0	35.2
Depreciation	69.5	8.4	61.1	3.9	57.2
Operating and Maintenance	37.3	(36.2)	73.5	9.6	63.9
Total Operating Expenses	184.4	(30.1)	214.5	20.8	193.7
Total Nonoperating Expenses	70.1	5.2	64.9	(1.3)	66.2
Total Expenses	254.5	(24.9)	279.4	19.5	259.9
Loss Before Capital Contributions	(132.1)	19.0	(151.1)	(40.0)	(111.1)
Capital Contributions	75.8	(18.9)	94.7	(112.0)	206.7
Increase (decrease) in Fund Equity	(56.3)	\$ 0.1	(56.4)	\$(152.0)	95.6
Fund Equity, Beginning of Year as Previously Reported			1,559.5		1,459.7
Adjustment			(6.0)		(1.8)
Fund Equity, Beginning of Year As Adjusted	1,497.1		1,553.5		1,457.9
Fund Equity End of Year	\$ 1,440.8		\$ 1,497.1		\$ 1,553.5

May be off slightly due to rounding

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis

For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

The \$2.2 million (22.0%) decrease in nonoperating revenues for fiscal 2010 and the \$14.5 million (59.2%) decrease in nonoperating revenues for fiscal 2009 were due to a reduction in investment income reflecting smaller returns largely related to a softening of the investment market.

The \$1.8 million (4.5%) reduction in personnel and related expenses in fiscal 2010 reflected SNWA's attempt to control costs during the recent economic slowdown. Employees have relinquished cost of living pay adjustments and vacant positions are being reviewed to determine if they need to be filled immediately. The \$2.3 million (6.1%) increases in personnel and related expenses in fiscal 2009 reflected normal cost of living allowance and merit increases. However the increase was less than previous years and reflected SNWA's midyear effort to contain costs.

Electric power costs decreased \$0.5 million (1.2%) in fiscal 2010. Fewer megawatt hours (MWh) were used (6.5%) due to the lower water deliveries described above, but the cost per MWh increased (4.6%) wiping out nearly all of the savings from lower volumes. Electric power costs increased \$5.0 million (14.2%) in fiscal 2009. Fewer megawatt hours (MWh) were used (3.8%) due to the lower water deliveries described above, but the cost per MWh increased (16.4%) leading to the overall increase in cost. Electric power is a significant cost of doing business and SNWA aggressively attempts to keep the unit cost of power as low as possible.

The increases in depreciation for fiscal 2010 and 2009 are a function of increases in property, plant and equipment and a reappraisal of capitalization guidelines.

Operating and maintenance expenses decreased \$36.2 million (49.3%) in fiscal 2010. Beginning in fiscal 2010, costs associated with SNWA's conservation program were capitalized instead of being expensed. Customers that request Water Smart Landscaping turf rebates must sign a conservation easement that requires the conversion to be sustained in perpetuity, thereby allowing it to be funded with capital funds. Excluding this effect, fiscal 2010's operating and maintenance expenses increased a modest \$0.5 million (2.1%). Operating and maintenance expenses increased \$9.6 million (15.0%). The increases are less than previous years and reflect SNWA's efforts to contain costs due to recent economic conditions.

Nonoperating expenses increased \$5.2 million (8.0%) in fiscal 2010 due primarily to new debt issues sold by SNWA during the year. Nonoperating expenses decreased \$1.3 million (2.0%) due to a decrease in interest costs from SNWA's commercial paper program. SNWA's bond counsel regularly reviews SNWA's debt portfolio to identify opportunities to minimize interest expense.

Capital contributions are revenues SNWA receives to fund its \$4.2 billion Major Construction and Capital Plan (MCCP). SNWA began collection of these revenues in early 1996. In order of the amount of revenue they have generated since 1996, those revenues include: (1) the regional connection charge, (2) sales tax, (3) the Southern Nevada Public Lands Management Act (SNPLMA) funds, (4) the regional commodity charge, (5) the regional reliability charge, and (6) various other small charges.

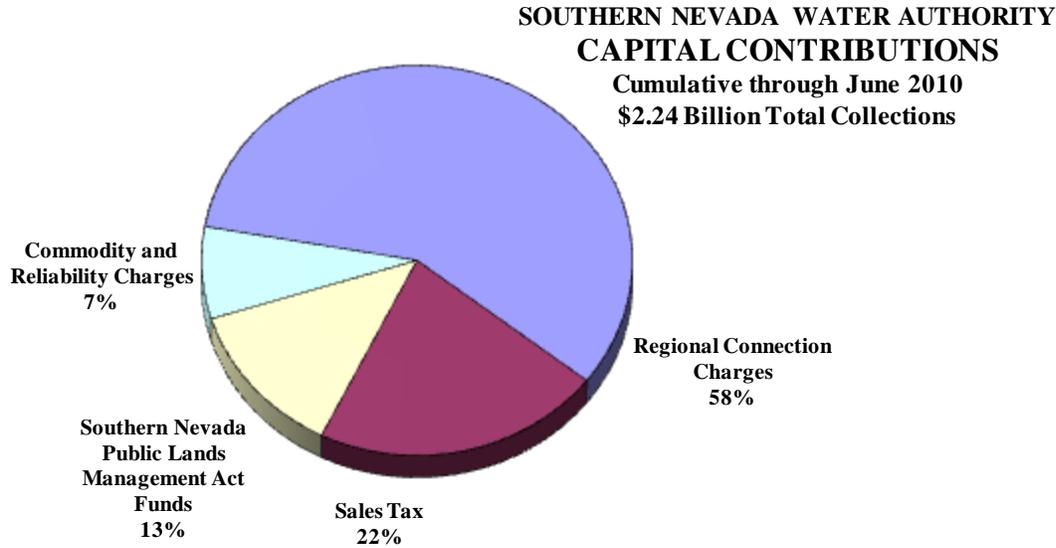
Capital contributions in fiscal 2010 decreased \$18.9 million (20.0%) primarily due to decreases in regional connection charges (\$21.5 million, 80.2%) and sales tax collections (\$4.5 million, 9.7%). Capital contributions in fiscal 2009 decreased \$112.0 million (54.2%) primarily due to decreases in regional connection charges (\$30.5 million, 53.3%), sales tax collections (\$7.0 million, 13.1%), and contributed capital (\$71.1 million, 96.4%). Both years' results reflected a slowing of growth in the Las Vegas area and current economic conditions. See Note 16 for a summary of Capital Contributions.

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis

For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

The following chart shows the major capital contribution cash sources and their relation to total capital contributions.



Capital Asset and Debt Administration

Capital Assets. SNWA's investment in capital assets as of June 30, 2010, amounts to \$3.9 billion, net of accumulated depreciation. The investment in capital assets includes land, transmission and distribution lines, pumping stations and equipment, water rights and other natural resources rights. See Note 7 to the basic financial statements for additional information on the types and values of SNWA's capital assets.

SNWA's ongoing MCCP consist of items described in the preceding paragraph. Major construction expenditures in fiscal 2010 totaled \$225.5 million. Contract commitments total an additional \$657.6 million.

Debt Administration. At the end of fiscal 2010, SNWA had general obligation debt totaling \$3.1 billion. Details concerning all debt issues can be found in Note 14 to the basic financial statements.

In August 2009, LVVWD on behalf of SNWA issued \$100 million of par value general obligation bonds in two issues. These bonds generated funds for future construction projects. The issues were sold at a net discount of \$0.06 million, and had a net effective interest rate of 4.69%.

In November 2009, Clark County, Nevada on behalf of SNWA issued \$50.0 million of par value general obligation bonds. Proceeds from this issue refunded coupons from five separate outstanding issues. The issue was sold at a premium of \$2.9 million and had a net effective interest rate of 4.50%.

In December 2009, the state of Nevada on behalf of SNWA issued \$2.75 million of par value water revenue bonds. Proceeds from this issue will be drawn as needed to pay for costs relating to an energy audit at SNWA's treatment facilities. \$63 thousand has been received through June 30, 2010. The effective interest rate is 0.00%.

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis

For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

In December, 2009, LVVWD on behalf of SNWA issued \$420.1 million of par value general obligation bonds in two issues. These bonds generated funds for future construction projects and refunded coupons from one outstanding issue. The issues were sold at a net premium of \$4.6 million, and had a net effective interest rate of 4.61%.

In June, 2010, the state of Nevada on behalf of SNWA issued \$7.405 million of par value general obligation bonds. Proceeds from this issue were used to fully refund one issue and partially refund two other issues. The issue had an effective interest rate of 3.70%.

Economic Factors and Next Year's Goals

SNWA's financial outlook continues to remain satisfactory even in current challenging economic times. For the first time in decades the Las Vegas area has experienced a sustained period of little or no growth. As a result, demand for new service connections within the SNWA service area is severely curtailed. However, because of its long range financial plan, SNWA has financial resources available from prior period savings to ease the financial stress of the current recession. Management continues to review the financial conditions of the area and actively takes steps to insure SNWA's financial stability. SNWA continues to maintain its high investment grade credit rating of "AA" by Standard & Poor's. Construction of the \$4.2 billion MCCP is on schedule and within budget.

Currently, the major concerns for southern Nevada continue to be the multiyear drought affecting the Colorado River basin and the ongoing recession. Water levels in Lake Mead have declined approximately 125 feet (10.2%) since 2000. Although these levels remain above SNWA's two intakes, the intakes are drawing water closer to the surface which creates water quality challenges. Lower lake levels have also impacted the amount of water SNWA can withdraw from the Colorado River basin in excess of its 300,000 acrefeet net consumptive allocation. In response, SNWA has taken steps to develop instate water resources and to construct a third intake in Lake Mead.

Given conditions in the current financial markets, obtaining timely and affordable financing for large capital projects such as these is difficult. However SNWA has assembled the financial and leadership tools that will support the advancement of these goals. The fiscal impact associated with the development of these resources will become clearer in the future.

Requests for Information

This financial report is designed to provide a general overview of SNWA's finances. Questions concerning any of the information provided in this report or requests for addition financial information should be addressed to:

The Office of the Director of Finance
Southern Nevada Water Authority
1001 South Valley View Blvd., Mail Stop 320
Las Vegas, Nevada, 89107

The reader is also encouraged to visit SNWA's website at www.snwa.com where this document is presented in its entirety. The website is also a good source for financial and operational information pertaining to SNWA, as well as helpful information concerning conservation and water issues.

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BASIC FINANCIAL STATEMENTS



Southern Nevada Water Authority
Enterprise Fund
Balance Sheets

	June 30,	June 30,
Assets	2010	2009
	<u> </u>	<u>(Restated)</u>
Current Assets - Restricted		
Cash and Cash Equivalents	\$ 250,482,144	
Investments		\$ 16,914,778
Other Receivables	<u>11,663,495</u>	<u>11,748,914</u>
Total Current Assets - Restricted	<u>262,145,639</u>	<u>28,663,692</u>
 Current Assets - Unrestricted		
Cash and Cash Equivalents	346,951,199	6,580,392
Investments	20,000,705	432,305,450
Due From Member Agencies	25,492,675	28,636,399
Other Receivables	6,370,882	5,182,380
Other Current Assets	<u>11,384,158</u>	<u>16,393,400</u>
Total Current Assets - Unrestricted	<u>410,199,619</u>	<u>489,098,021</u>
Total Current Assets	<u>672,345,258</u>	<u>517,761,713</u>
 Capital Assets		
Capital Assets Subject to Depreciation		
Property, Plant and Equipment	2,672,654,493	2,579,629,421
Accumulated Depreciation	<u>(700,568,175)</u>	<u>(631,141,840)</u>
Net Capital Assets Subject to Depreciation	<u>1,972,086,318</u>	<u>1,948,487,581</u>
 Capital Assets Not Subject to Depreciation		
Land	92,271,442	88,259,503
Natural Resources Rights	389,154,250	360,140,778
Construction Work in Progress	<u>1,454,699,066</u>	<u>1,263,219,879</u>
Net Capital Assets Not Subject to Depreciation	<u>1,936,124,758</u>	<u>1,711,620,160</u>
Total Net Capital Assets	3,908,211,076	3,660,107,741
 Other Noncurrent Assets		
Unamortized Bond Costs	14,105,881	9,478,423
Water Recharge Inventory	<u>82,196,343</u>	<u>82,342,806</u>
Total Non Current Assets	<u>4,004,513,300</u>	<u>3,751,928,970</u>
 Total Assets	 <u>\$ 4,676,858,558</u>	 <u>\$ 4,269,690,683</u>

The accompanying notes are an integral part of these financial statements

Southern Nevada Water Authority
Enterprise Fund
Balance Sheets

	June 30,	June 30,
Liabilities and Fund Equity	2010	2009
	<u> </u>	<u> </u>
Current Liabilities		
Accounts Payable	\$ 54,772,130	\$ 55,824,613
Accrued Interest Payable	13,904,854	11,762,734
Pending Regional Connection Charge Refunds	4,845,399	6,610,365
Current Portion of Notes Payable	1,085,277	1,047,809
Current Portion of Bonds Payable	30,120,000	54,755,000
Commercial Paper Payable	400,000,000	400,000,000
Total Current Liabilities	<u>504,727,660</u>	<u>530,000,521</u>
Long-Term Liabilities		
Notes Payable, Net of Current Portion	12,701,654	13,786,932
Bonds Payable, Net of Current Portion,		
Unamortized Premiums and Discounts	2,740,732,547	2,246,665,242
Deferred Amount on Refunding	<u>(22,114,169)</u>	<u>(17,844,440)</u>
Total Long-Term Liabilities	<u>2,731,320,032</u>	<u>2,242,607,734</u>
Total Liabilities	<u>3,236,047,692</u>	<u>2,772,608,255</u>
Fund Equity		
Invested in Capital Assets, Net of Related Deb	995,640,636	975,182,739
Restricted for Debt Service / Capital Assets	16,866,340	15,178,151
Unrestricted	<u>428,303,890</u>	<u>506,721,538</u>
Total Fund Equity	<u>1,440,810,866</u>	<u>1,497,082,428</u>
Total Liabilities and Fund Equity	<u>\$ 4,676,858,558</u>	<u>\$ 4,269,690,683</u>

The accompanying notes are an integral part of these financial statements

Southern Nevada Water Authority
Enterprise Fund
Statements of Revenues, Expenses and Changes in Fund Equity
For the Fiscal Years ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009 (Restated)</u>
Operating Revenues		
Wholesale Delivery Charges	\$ 110,097,368	\$ 112,551,974
Groundwater Management Fees	872,104	2,047,626
Administration Costs Recoveries	342,820	379,306
Las Vegas Wash	698,274	690,000
Other Revenues	2,563,872	2,648,858
Total Operating Revenues	<u>114,574,438</u>	<u>118,317,764</u>
Operating Expenses		
Personnel and Related	37,948,022	39,671,513
Electric Power	39,656,635	40,184,442
Depreciation	69,499,630	61,143,048
Operating and Maintenance	37,293,827	73,498,943
Total Operating Expenses	<u>184,398,114</u>	<u>214,497,946</u>
Operating Loss	<u>(69,823,676)</u>	<u>(96,180,182)</u>
Nonoperating Revenues (Expenses)		
Investment Income	1,374,146	10,709,321
Credit Payment Income	6,442,781	
Interest Expense	(67,231,511)	(64,366,759)
Amortization of Refunding Costs	(969,032)	(1,118,050)
Amortization of Bond Issue Costs, Premiums and Discounts	(1,936,089)	628,592
Other	(5,051)	(753,735)
Total Nonoperating Revenues (Expenses)	<u>(62,324,756)</u>	<u>(54,900,631)</u>
Loss Before Capital Contributions	<u>(132,148,432)</u>	<u>(151,080,813)</u>
Capital Contributions	75,876,870	94,647,515
Net Loss	<u>(56,271,562)</u>	<u>(56,433,298)</u>
Fund Equity - Beginning of Year as Previously Reported		1,559,508,375
Adjustment		(5,992,649)
Fund Equity - Beginning of Year as Adjusted	<u>1,497,082,428</u>	<u>1,553,515,726</u>
Fund Equity - End of Year	<u>\$ 1,440,810,866</u>	<u>\$ 1,497,082,428</u>

The accompanying notes are an integral part of these financial statements

Southern Nevada Water Authority
Enterprise Fund
Statements of Cash Flows
For the Fiscal Years ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u> <u>(Restated)</u>
Cash Flows from Operating Activities:		
General and Administrative / Resources Charges	\$ 1,903,929	\$ 1,364,851
Groundwater Management Fees	872,104	2,047,626
Las Vegas Wash Revenues	698,274	889,338
Wholesale Delivery Charges	111,133,951	113,107,903
Other Revenues	1,011,127	1,637,265
Cash Payments to Suppliers of Goods and Services	<u>(79,691,278)</u>	<u>(135,562,489)</u>
Net Cash Provided by (Used in) Operating Activities	<u>35,928,107</u>	<u>(16,515,506)</u>
Cash Flows from Capital and Related Financing Activities:		
Purchase or Construction of Capital Assets	(270,531,166)	(254,327,553)
Proceeds from Disposal of Property and Equipment	21,062	275,581
Proceeds of Debt Issuance	495,117,308	406,900,000
Principal Paid on Debt	(34,046,560)	(49,371,634)
Interest Paid on Debt	(131,315,748)	(116,576,510)
Capital Contributions	58,782,846	44,383,076
Credit Payment Income	<u>5,581,734</u>	<u></u>
Net Cash Provided by Capital and Related Financing Activities	<u>123,609,476</u>	<u>31,282,960</u>
Cash Flows from Investing Activities:		
Purchases of Investment Securities	(10,578,322,387)	(42,167,811,347)
Proceeds from Sales or Maturities of Investment Securities	11,008,836,660	42,145,948,231
Investment Earnings	<u>801,095</u>	<u>8,223,472</u>
Net Cash Provided by (Used in) Investing Activities	<u>431,315,368</u>	<u>(13,639,644)</u>
Net Increase in Cash and Cash Equivalents	590,852,951	1,127,810
Cash and Cash Equivalents, Beginning of Year	<u>6,580,392</u>	<u>5,452,582</u>
Cash and Cash Equivalents, End of year	<u>\$ 597,433,343</u>	<u>\$ 6,580,392</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities		
Operating Loss	\$ (69,823,676)	\$ (96,180,182)
Depreciation	69,499,630	61,143,048
Operating Expenses Paid by Contributed Capital	19,176,083	52,360,368
Changes in Assets and Liabilities		
(Increase)/Decrease in Due from Member Agencies	1,128,714	(9,536,315)
Increase in Other Receivables	(634,252)	(431,035)
(Increase)/Decrease in Other Current Assets	5,009,243	(2,044,833)
(Increase)/Decrease in Water Recharge Inventory	146,463	(694,242)
Increase/(Decrease) in Accounts Payable	13,190,868	(21,750,031)
Increase/(Decrease) in Pending Regional Connection Charge Refunds	<u>(1,764,966)</u>	<u>617,716</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 35,928,107</u>	<u>\$ (16,515,506)</u>
Non-Cash Investing, Capital and Financing Activities		
Changes in Fair Value of Investments	\$ 705	\$ (4,937,772)
Deferred Loss on Refunded Bonds	5,238,762	
Refunding Bonds Issued	(82,430,712)	
Bonds Refunded	79,111,250	

The accompanying notes are an integral part of these financial statements

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Southern Nevada Water Authority (SNWA) is a political subdivision of the State of Nevada (the State) and is therefore the reporting entity. SNWA was created on July 25, 1991, pursuant to Nevada Revised Statutes (NRS) Chapter 277.080 to 277.180, inclusive, by a cooperative agreement among its member agencies. These agencies include the Big Bend Water District, City of Boulder City, City of Henderson, City of Las Vegas, City of North Las Vegas, the Clark County Water Reclamation District, and Las Vegas Valley Water District (LVVWD). The Cooperative Agreement was last amended in 2010.

SNWA was created to secure additional supplies of water for southern Nevada and to effectively manage existing supplies of water through the cooperative action of its member agencies. A seven-member Board of Directors (the Board) comprised of one director from each member agency governs SNWA equally. SNWA operations are autonomous from its member agencies and the State, and its financial statements are not included in the financial statements of any other entity.

The Board has the power to periodically assess its member agencies directly for operating and capital budgets and for the satisfaction of any liabilities imposed against SNWA. In 1991, each member agency made an initial contribution to SNWA for operating and administrative expenses in the amount of \$15,000. Assessments for additional funds needed by SNWA, in accordance with approved operating and capital budgets, have been apportioned to its member agencies on the basis of water deliveries to those agencies. Funding received by SNWA from its member agencies for operations is recorded as operating revenue, while funding received for capital purchases is recorded as contributed capital. Member agencies that are not potable water purveyors (the City of Las Vegas and the Clark County Water Reclamation District) each contributed \$35,000 to SNWA operations during the fiscal year ended June 30, 2010.

Operating Agent (LVVWD) (Related Party Disclosure)

The SNWA Board appoints a General Manager. LVVWD's General Manager was also appointed General Manager of SNWA and LVVWD was named the operating agent for SNWA in 1993. LVVWD allocates a portion of its payroll costs to SNWA for LVVWD employees who are utilized on SNWA-related matters and also pays certain costs and operating expenses on behalf of SNWA. SNWA has no employees of its own.

During the mid 1990s, LVVWD paid substantially all operating and capital expenses on behalf of SNWA, and SNWA reimbursed LVVWD monthly. In the late 1990s, to mitigate potential cash flow demands on LVVWD under this arrangement, SNWA began paying construction contracts directly, assumed responsibility for paying construction contract retention and paid most of the cost of power required to operate the Southern Nevada Water System (see below). Additionally, in 2008, SNWA advanced a total of \$19 million to LVVWD to fund future SNWA-related operating expenses made on its behalf.

LVVWD hires all employees utilized by SNWA. Consequently, any financial reporting requirements regarding employees utilized by SNWA including but not limited to reporting on post employment benefits can be found in LVVWD's Comprehensive Annual Financial Report (CAFR).

LVVWD has no control over SNWA's operation or finances. SNWA is autonomous from LVVWD, does not include LVVWD's information within its own financial statements, nor is SNWA's information included in LVVWD's financial statements.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

LVVWD is a quasi-municipal corporation created under a special act of the legislature of the State of Nevada in 1947 for the purpose of obtaining and distributing water primarily in the Las Vegas valley, which includes the metropolitan area of Clark County and the City of Las Vegas. A complete copy of LVVWD's CAFR can be found at www.lvvwd.com or can be obtained by mailing a request to the SNWA address listed on page 2-9.

Southern Nevada Water System

Effective January, 1996, pursuant to Assembly Bill No. 542 approved by the Nevada Legislature in 1995 (the Transfer Act), the assets of the Southern Nevada Water System (SNWS), as well as certain liabilities and responsibility for operation of the SNWS, were transferred from the Colorado River Commission (CRC) to SNWA. Along with the transfer of these assets, CRC transferred all books and records in its possession relating to SNWS and its facilities.

Fund Accounting

The accompanying basic financial statements are reported on the basis of fund accounting. A fund is a fiscal and accounting entity with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenses.

Enterprise Fund

SNWA operations have been accounted for as a single enterprise fund. Enterprise fund operations are presented using the full accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when revenues are received or expenses are paid. In this regard, SNWA operations are accounted for in a manner similar to a private business enterprise, where the intent of the governing body is that the costs of providing goods and services to customers on a continuing basis are financed or recovered primarily through user charges, and its financial measurement focus is on determination of net income, financial position, and cash flows. SNWA is guided by the pronouncements of the Governmental Accounting Standards Board (GASB). As an enterprise fund, and as permitted under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, SNWA applies the requirements of the Financial Accounting Standard Board Statements, Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the use of estimates by management. Such estimates primarily relate to unsettled transactions and events as of the date of the basic financial statements. Actual results, particularly those related to pending regional connection charge refunds (as in detail discussed below), could differ from those estimates.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand and cash on deposit with financial institutions including time deposits (Note 2). Investments include obligations of the U.S. government and obligations of government-sponsored agencies, as well as investment grade corporate commercial paper. Investments with maturity dates of less than one year when purchased are stated at par, with premiums or discounts expensed in the month of the investment's acquisition. Investments with a maturity date in excess of one year when purchased are reported at estimated fair value as required by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* (Note 3).

Restricted Assets

Restricted assets include unused bond proceeds which are restricted by bond covenants and sales tax proceeds which are restricted by state law.

Inventories

Inventories are recorded at cost. Reduction of inventory is recorded using the first-in, first-out accounting method. Inventories are included in other current assets (Note 6).

Capital Assets

Property, plant, equipment and land (Note 7) are carried at historical cost if purchased or at engineering estimates of fair value at the time received if donated. Expenditures for improvements and betterments (including labor, overhead and net interest costs) are capitalized. Generally, SNWA capitalizes assets with a cost greater than \$5,000 and a useful life greater than three years.

Depreciation of property, plant and equipment is computed using the straight-line method over the estimated service lives of the respective assets. Major utility plant categories and their estimated service lives are as follows:

Organization and Improvements	10 to 20 Years
Pumping Stations and Wells	40 Years
Transmission / Distribution / Mains	50 to 75 Years
Office Furniture and Equipment	5 to 15 Years
Transportation / Work / Equipment	5 to 10 Years
Power Plant	30 Years
Northern Resource Assets	5 to 27.5 Years

Revenues

Operating revenues include the wholesale delivery charge, which for the year ended June 30, 2010, was \$270 per acre-foot (AF) of treated Colorado River water delivered to the purveyor members of SNWA. The wholesale delivery charge is designed to fund operation and maintenance of SNWS, as well as SNWA administration. SNWA also charged \$204 per AF for raw Colorado River water delivered to the city of Boulder City for use on golf courses. For the fiscal year ended 2010, groundwater program revenues consist of an annual fee of \$13 per AF of permitted groundwater rights or \$13 per domestic well. Purveyor administration billings are amounts charged to member agencies of SNWA that do not physically take potable water from the SNWA water system. These costs vary by purveyor and are designed to help compensate SNWA for administration costs associated with their membership. Las

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

Vegas Wash revenues consist of contributions from other local governments towards operating costs of the Las Vegas Wash Coordination Committee.

Nonoperating revenues consist of investment income, net of amounts capitalized, interest expense reimbursements related to Build America Bonds and a minimal amount of other miscellaneous items.

Expenses

Operating expenses include the costs of personnel, power, and other costs associated with the operation and maintenance of SNWS, as well as SNWA administration and depreciation. Non-operating expenses include interest expense net of amounts capitalized as well as amortization of deferred costs on debt refunding, discounts and debt issuance costs.

Capitalization of Interest Income / Expense

SNWA capitalizes the interest cost of restricted tax-exempt borrowings, less interest earned on temporary investment of the proceeds of those borrowings, from the date of borrowing until the assets acquired with those borrowings are ready for their intended use. SNWA capitalized \$61,361,707 and \$50,870,180 of interest expense, which was offset by \$414,902 and \$2,898,102 of interest income, in the fiscal years ended June 30, 2010 and 2009, respectively.

To avoid the carrying costs of bond proceeds that will not be used for some time to fund capital projects, SNWA generally issues bonds sufficient to fund about two years of estimated capital project expenditures. SNWA also can use sales tax proceeds as needed to fund capital projects construction payments on a pay-as-you-go basis.

Capital Contributions

Capital contributions include various contributed revenues SNWA receives that are restricted for use in a variety of capital improvement programs (Note 16).

Litigation Defense Costs

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

Water Rights Holding Company

In 1999, the Board established Muddy River Water Holdings, Inc., a non-profit corporation authorized to facilitate the holding of water rights stock and stock options. This corporation holds any stock purchased by SNWA that represents water rights.

Restatement and Reclassifications

SNWA receives regional connection charge revenue from several of its purveyor members. These charges are recorded as capital contributions revenue (Note 16) when received. The downturn in the southern Nevada economy (Note 13) in recent years has led to an increase in projects being cancelled for which connection charges are collected. Developers can receive refunds of their past paid charges if they can provide proof that a previously proposed project on which connection charges were paid has been

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reverted to acreage. SNWA has had to refund the regional connection charged related to those cancelled projects, many of which were cancelled in prior years.

Management has determined that a portion of regional connection charge revenue should not have been recognized in prior years and instead should have been recorded as a liability (Pending Regional Connection Charge Refunds). Accounting Standards Codification (ASC) 450 requires that a loss contingency be accrued by a charge to income if it is probable that a liability has been incurred as of the date of the financial statements, and the amount of the liability can be reasonably estimated.

Management has decided to estimate the liability based on all projects listed by LVVWD as cancelled at year end. It is likely that additional pending refunds exist related to SNWA's other participating purveyor members. However, management is currently unable to estimate the minimum payment liability for these purveyors because the necessary information to develop an estimate is not readily available.

The effects of the prior period adjustment on the 2009 financial statements are:

	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>Adjusted</u>
<u>Balance Sheets</u>			
Pending Regional Connection Charge Refunds	\$0	\$6,610,365	\$6,610,365
Fund Equity	1,559,508,375	(5,992,649)	1,553,515,726
<u>Statements of Revenue, Expenses and Changes in Fund Equity</u>			
Capital Contribution	95,265,231	(617,716)	94,647,515
Net Loss	(55,815,582)	(617,716)	(56,433,298)

Also, certain minor reclassifications have been made to fiscal 2009 amounts to conform to the fiscal 2010 presentation.

New Accounting Pronouncements

In January, 2010, the GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. Provisions of Statement No. 57 related to the use and reporting of the alternative measurement method are effective immediately with provisions related to the frequency and timing of measurements effective for periods beginning after June 15, 2010 with earlier adoption encouraged. The statement is intended to improve consistency in the measurement and financial reporting of other post employment benefits (OPEB) such as retiree health insurance. As described above in the "Operating Agent" section, SNWA has no employees of its own, which means that SNWA has no post-employment benefit plans. Therefore, adoption of Statement No. 57 will not materially affect SNWA's financial position, results of operation, or cash flows.

In January, 2010, the GASB issued Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies* effective for periods beginning after June 15, 2009 with retroactive application required for all prior periods presented during which a government was in bankruptcy and earlier application encouraged. The statement provides guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code by establishing

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requirements for recognizing and measuring the effects of the bankruptcy process on assets and liabilities, and for classifying changes in those items and related costs. SNWA has not declared bankruptcy in the past, so adoption of Statement No. 58 does not immediately affect SNWA's financial position, results of operation or cash flows.

In June, 2010, the GASB issued Statement No. 59, *Financial Instruments Omnibus* effective for periods beginning after June 15, 2010 with earlier application encouraged. The Statement updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. SNWA does not participate in investment pools. Therefore, adoption of Statement No. 59 will not materially affect SNWA's financial position, results of operation or cash flows.

NOTE 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of demand deposit accounts containing restricted and unrestricted cash. Beginning in December 2009, SNWA deposited bond proceeds and matured investment proceeds in LVWWD's demand deposit account. The funds are readily available to SNWA as needed and are collateralized as described below. SNWA intends to continue this practice until the investment market rebounds and provides better investing opportunities. Cash balances as of June 30, 2010 and 2009, were \$597,433,343 and \$6,580,392 respectively. LVWWD held \$573,650,464 of the funds as of June 30, 2010.

On July 22, 2003, the Nevada State Assembly approved an amendment to NRS 356.020 establishing a Nevada State Treasurer's Pooled Collateral program for local governments. The primary objective of the collateral pool is to reduce the risk for government agencies, while at the same time decrease the overall collateral requirement for depositories. By centralizing the administration and reporting functions through the State Treasurer's office, both government agencies and depositories realize cost savings in terms of operational support and collateral efficiency. The bank utilized by SNWA participates in the pool by pledging securities for SNWA monies on deposit. The collateral pool for public fund deposits administered and monitored by the Nevada State Treasurer's Pooled Collateral Office requires depository banks to place acceptable securities of no less than 102% of the market value of the aggregate total deposits of public entities in Nevada with a third party custodian.

NOTE 3. INVESTMENTS

Funds not immediately required for payment of operating or capital expenditures are invested by SNWA in U.S. Government and agency securities and other money market instruments. Nothing in the Cooperative Agreement that created SNWA or the Facilities and Operations Agreement that governs SNWA's relationship with its purveyor members dictates permitted or prohibited investments. Also, there is no applicable Nevada law. However, SNWA voluntarily chooses to comply with NRS 355.170, which governs permitted investments for counties, cities, and school districts in Nevada. NRS 355.170 limits investments to obligations of the federal government and its agencies, commercial bank certificates of deposit, obligations of state and local governments rated "A" or above, bankers' acceptances, repurchase agreements, and money market mutual funds.

As required by GASB Statement No. 31, an adjustment to estimated fair value has been made for investment securities with a maturity date in excess of one year at the time they were purchased. Estimated fair value was determined by quoted market prices provided by the Bank of New York Western Trust Company where SNWA has an investment custody account. The Bank of New York Western Trust Company acts as an agent for SNWA. For fiscal 2010, this adjustment increased interest income by \$705. For fiscal 2009, the adjustment reduced interest income by \$4,937,772.

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The investment schedules below detail the securities SNWA was holding for investment as of June 30, 2010 and 2009. Three valuations of investments are shown. Par value is the amount that SNWA will receive at maturity. Book value is the value calculated after adjusting investments with a maturity of one year or greater to estimated fair value using valuation methods previously described. This column is presented as the book value of investments on the balance sheet. Fair value is presented for informational purposes only and represents the estimated fair value for all investments regardless of maturity date. This information is derived from independent market research conducted by the Bank of New York Western Trust Company.

Investments at June 30, 2010

Security	Investment Number	Purchase Date	Maturity Date	Days after Purchase Date	Par Value	Fair Value Adjustment	Book Value	MEMO
								Fair Value
FNMA	10-0516	04/14/10	03/23/11	343	\$ 14,000,000	\$ -	\$ 14,000,000	\$ 14,135,625
FHLB	10-0513	03/30/10	04/29/11	395	1,000,000	830	1,000,830	1,000,830
FHLMC	10-0511	03/17/10	03/09/12	723	2,500,000	(125)	2,499,875	2,499,875
FHLB	10-0512	03/29/10	03/29/12	731	2,500,000	-	2,500,000	2,500,000
					\$ 20,000,000	\$ 705	\$ 20,000,705	\$ 20,136,330

Investments at June 30, 2009

Security	Investment Number	Purchase Date	Maturity Date	Days after Purchase Date	Par Value	Fair Value Adjustment	Book Value	MEMO
								Fair Value
FHLB	09-2063	06/30/09	07/01/09	1	\$ 50,000,000	\$ -	\$ 50,000,000	\$ 49,999,985
FHLB	09-2067	06/30/09	07/01/09	1	50,000,000	-	50,000,000	49,999,985
FHLB	09-2055	06/29/09	07/10/09	11	25,000,000	-	25,000,000	24,999,915
FHLB	09-2064	06/30/09	07/14/09	14	20,000,000	-	20,000,000	19,999,988
FHLB	09-2054	06/29/09	07/15/09	16	25,000,000	-	25,000,000	24,999,970
FHLB	09-2044	06/24/09	07/13/09	19	26,740,000	-	26,740,000	26,739,323
FHLB	09-2045	06/24/09	07/13/09	19	27,000,000	-	27,000,000	26,999,317
FHA	09-2046	06/24/09	07/13/09	19	15,000,000	-	15,000,000	14,999,501
FHLB	09-2016	06/16/09	07/06/09	20	50,000,000	-	50,000,000	49,997,080
FMC	09-2066	06/30/09	07/20/09	20	25,000,000	-	25,000,000	24,999,965
FHA	09-2043	06/23/09	07/13/09	20	26,060,000	-	26,060,000	26,059,132
FHLB	09-2047	06/24/09	07/20/09	26	25,000,000	-	25,000,000	24,999,270
FHLB	09-2048	06/24/09	07/20/09	26	33,000,000	-	33,000,000	32,999,036
FHLB	09-2065	06/30/09	08/11/09	42	3,300,000	-	3,300,000	3,299,656
FHA	09-2017	06/16/09	09/30/09	106	9,750,000	-	9,750,000	9,745,246
FHLB	09-1605	03/18/09	09/04/09	170	118,000	-	118,000	117,793
FHLB	09-1614	03/20/09	09/16/09	180	14,260,000	-	14,260,000	14,239,401
FNMA	09-1137	12/18/08	07/05/14	2025	28,930,000	(4,937,772)	23,992,228	23,992,228
					\$ 454,158,000	\$ (4,937,772)	\$ 449,220,228	\$ 449,186,791

As mentioned previously, SNWA has voluntarily adopted an investment policy that limits investments and risks to those permitted under the laws of the State of Nevada. The investments and risks authorized by NRS relevant to SNWA investments are:

- Obligations of United States agencies or instrumentalities or corporations sponsored by the government, not to exceed ten years maturity after the date of purchase. Credit quality ratings and the percent of total investments allowed are not specified. However, SNWA is not allowed to have more than 60 percent of its total investment portfolio with any one banker or broker.

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- Commercial paper issued by corporations organized and operating in the United States that (1) is purchased from a registered broker-dealer, (2) at the time of purchase has a remaining term to maturity of no more than 270 days, and (3) is rated by a nationally recognized rating service as A-1, P-1 or its equivalent, or better, except that these investments may not, in aggregate value, exceed 20 percent of the total portfolio as determined on the date of purchase, and if the rating of the obligation is reduced to a level that does not meet these requirements, it must be sold as soon as possible.

The following shows the distribution and credit quality of SNWA investments at June 30, 2010 and 2009.

Investment Distribution and Quality			
Investment Type	Rated	June 30, 2010	June 30, 2009
Federal National Mortgage Association	AAA	70.0%	6.4%
Federal Home Loan Bank	AAA	12.5%	76.9%
Federal Home Loan Mortgage Corporation	AAA	12.5%	5.5%
Federal Agricultural Mortgage Corporation	AAA	5.0%	
Federal Housing Authority	AAA		11.2%
		<u>100.0%</u>	<u>100.0%</u>

NOTE 4. DUE FROM MEMBER AGENCIES

SNWA bills its member agencies for wholesale delivery charges for water delivered to purveyor members, and/or reimbursement of general, administrative and other charges. In addition to these billings, purveyors collect regional connection charges, regional commodity charges and a regional reliability surcharge (the latter two known collectively as regional water charges). Revenue from billings and collections are remitted to SNWA monthly. Also, SNWA has advanced funds to LVVWD that are used to fund daily operating costs paid by LVVWD. Management believes all accounts are collectible, and there has been no allowance made for bad debts.

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At June 30, 2010 and 2009, the following amounts were due from SNWA's member agencies:

Due From Member Agencies June 30, 2010

	Total	Wholesale Delivery Charges	Regional Connection Charge	Regional Water Charges	LVVWD Expense Advance	Other Charges
Big Bend Water District	\$ 16,987					\$ 16,987
City of Boulder City	344,283	\$ 344,283				
City of Henderson	2,891,961	2,123,958	233,030	534,973		
City of North Las Vegas	3,053,912	2,647,795	67,835	338,282		
Clark County Water Reclamation District	2,917					2,917
Las Vegas Valley Water District	19,127,483	6,973,083	(382,920)	2,313,938	10,223,382	
Nellis Air Force Base	55,132	55,132				
Total	\$ 25,492,675	\$ 12,144,251	\$ (82,055)	\$ 3,187,193	\$ 10,223,382	\$ 19,904

Due From Member Agencies June 30, 2009

	Total	Wholesale Delivery Charges	Regional Connection Charge	Regional Water Charges	LVVWD Expense Advance	Other Charges
Big Bend Water District	\$ 20,101					\$ 20,101
City of Boulder City	308,366	\$ 308,366				
City of Henderson	3,987,821	3,626,138	48,130	313,553		
City of North Las Vegas	2,810,107	2,603,189	9,610	197,308		
Clark County Water Reclamation District	2,917					2,917
Clark County	-					
Las Vegas Valley Water District	21,411,342	6,547,395	1,982,831	2,568,718	\$ 10,312,398	
Nellis Air Force Base	95,745	95,745				
Total	\$ 28,636,399	\$ 13,180,833	\$ 2,040,571	\$ 3,079,579	\$ 10,312,398	\$ 23,018

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Notes to Basic Financial Statements

For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

NOTE 5. OTHER RECEIVABLES

Other receivables include amounts due from the state of Nevada, grantors and businesses as well as accrued investment earnings on SNWA's investments. Management believes all amounts are collectible, and therefore no allowance has been made for bad debts.

The following amounts were due as of June 30, 2010 and 2009:

Other Receivables		
Type	June 30, 2010	June 30, 2009
State of Nevada - Department of Taxation	\$ 11,663,495	\$ 11,748,914
Grants Receivable	4,872,730	1,672,172
Federal BAB Bond Interest Receivable	861,047	
Power Trading Accounts Receivable	423,566	2,988,856
Southern California Edison	89,956	89,282
Accrued Investment Earnings	75,079	381,876
Northern Resource Property Receivable	44,270	50,194
State of Nevada - Bond Issue Cost Refund	4,234	
Total	<u>\$ 18,034,377</u>	<u>\$ 16,931,294</u>

NOTE 6. OTHER CURRENT ASSETS

Other current assets consist of prepaid expenses and miscellaneous current assets located at SNWA's northern resource property locations. The \$5.0 million decrease in fiscal 2010's other current assets is the result of a \$3.6 million reduction in a prepaid investment account used to secure future power contracts and a \$1.4 million decrease in inventory items at the Northern Resources.

NOTE 7. CAPITAL ASSETS

The capital assets schedules below and on the following page summarize changes in major categories of capital assets for fiscal years ended June 30, 2010 and 2009. Natural resources rights are described in more detail in Note 8, and Construction Work in Progress is described in more detail in Note 9.

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Notes to Basic Financial Statements

For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

Capital Assets June 30, 2010

<u>Capital Assets Category</u>	<u>Balance at June 30, 2009</u>	<u>Additions</u>	<u>Cost Adjustments</u>	<u>Retirements/ Transfers</u>	<u>Balance at June 30, 2010</u>
<u>Capital Assets Subject to Depreciation</u>					
Organization and Improvements	\$ 457,542,694	\$ 73,733,652	\$ (233,985)		\$ 531,042,361
Pumping Stations and Wells	560,874,398				560,874,398
Transmission/Distribution/Mains	1,337,493,390	11,564,931	(12,883)		1,349,045,438
Office Furniture and Equipment	101,456,505	7,271,572	175,003	\$ (29,643)	108,873,437
Transportation/Work/Equipment	6,206,950			(28,489)	6,178,461
Power Plant	102,714,331		(523,575)		102,190,756
Northern Resources Assets	13,341,153	1,027,754	125,013	(44,278)	14,449,642
Total Capital Assets Subject to Depreciation	2,579,629,421	93,597,909	(470,427)	(102,410)	2,672,654,493
<u>Accumulated Depreciation</u>					
Organization and Improvements	173,128,659	25,333,540			198,462,199
Pumping Stations and Wells	97,195,103	14,431,730			111,626,833
Transmission/Distribution/Mains	263,001,180	18,821,312			281,822,492
Office Furniture and Equipment	71,940,376	5,459,637		(21,687)	77,378,326
Transportation/Work/Equipment	4,753,546	487,487		(28,489)	5,212,544
Power Plant	17,689,690	3,316,187			21,005,877
Northern Resources Assets	3,433,286	1,649,737		(23,119)	5,059,904
Total Accumulated Depreciation	631,141,840	69,499,630	-	(73,295)	700,568,175
Net Capital Assets Subject to Depreciation	1,948,487,581	24,098,279	(470,427)	(29,115)	1,972,086,318
<u>Capital Assets Not Subject to Depreciation</u>					
Land and Land Rights	88,259,503	4,114,117	(102,178)		92,271,442
Natural Resource Rights	360,140,778	29,013,472			389,154,250
Construction in Progress	1,263,219,879	279,757,131		(88,277,944)	1,454,699,066
Net Capital Assets Not Subject to Depreciation	1,711,620,160	312,884,720	(102,178)	(88,277,944)	1,936,124,758
Total Net Capital Assets	\$ 3,660,107,741	\$ 336,982,999	\$ (572,605)	\$ (88,307,059)	\$ 3,908,211,076

Capital Assets June 30, 2009

<u>Capital Assets Category</u>	<u>Balance at June 30, 2008</u>	<u>Additions</u>	<u>Cost Adjustments</u>	<u>Retirements/ Transfers</u>	<u>Balance at June 30, 2009</u>
<u>Capital Assets Subject to Depreciation</u>					
Organization and Improvements	\$ 429,132,257	\$ 28,565,966	\$ 2,240	\$ (157,769)	\$ 457,542,694
Pumping Stations and Wells	522,943,562	37,930,836			560,874,398
Transmission/Distribution/Mains	1,337,873,649		(380,259)		1,337,493,390
Office Furniture and Equipment	98,589,904	2,588,349	289,292	(11,040)	101,456,505
Transportation/Work/Equipment	5,701,086	846,157		(340,293)	6,206,950
Power Plant	103,513,493		(799,162)		102,714,331
Northern Resources Assets	14,294,409	415,590		(1,368,846)	13,341,153
Total Capital Assets Subject to Depreciation	2,512,048,360	70,346,898	(887,889)	(1,877,948)	2,579,629,421
<u>Accumulated Depreciation</u>					
Organization and Improvements	154,315,244	18,971,184		(157,769)	173,128,659
Pumping Stations and Wells	83,519,738	13,675,365			97,195,103
Transmission/Distribution/Mains	244,353,639	18,647,541			263,001,180
Office Furniture and Equipment	67,558,777	4,392,785		(11,186)	71,940,376
Transportation/Work/Equipment	4,582,492	488,540		(317,486)	4,753,546
Power Plant	14,376,874	3,312,816			17,689,690
Northern Resources Assets	2,168,568	1,649,165		(384,447)	3,433,286
Total Accumulated Depreciation	570,875,332	61,137,396	-	(870,888)	631,141,840
Net Capital Assets Subject to Depreciation	1,941,173,028	9,209,502	(887,889)	(1,007,060)	1,948,487,581
<u>Capital Assets Not Subject to Depreciation</u>					
Land and Land Rights	88,253,534	5,969			88,259,503
Natural Resource Rights	325,175,725	34,992,958		(27,905)	360,140,778
Construction in Progress	1,028,225,185	304,578,264		(69,583,570)	1,263,219,879
Net Capital Assets Not Subject to Depreciation	1,441,654,444	339,577,191	-	(69,611,475)	1,711,620,160
Total Net Capital Assets	\$ 3,382,827,472	\$ 348,786,693	\$ (887,889)	\$ (70,618,535)	\$ 3,660,107,741

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NOTE 8. NATURAL RESOURCES RIGHTS

Arizona Water Bank

In 1993, the Board approved a cooperative agreement among its member agencies for funding and participation in the Arizona Underground Storage Demonstration Project (the Project). The Project was originally an agreement between the Central Arizona Water Conservation District (CAWCD) and the Metropolitan Water District of Southern California to store water from the Colorado River in underground aquifers in Arizona. SNWA agreed to participate in the Project and pay CAWCD to store Colorado River water in Arizona. In the event of either a flood release or an anticipatory release of Colorado River water, water stored in Arizona would then become the property of the States of California and Nevada. In 1996 and 1997, the United States Secretary of Interior declared a surplus, and 50,000 AF of water stored in Arizona were assigned to SNWA. Under the Project, SNWA purchased the 50,000 AF of water available for future use and funded the expenditure through capital contributions from SNWA's member agencies.

In 2001, SNWA and CRC approved an Agreement for Interstate Water Banking (Banking Agreement) with the Arizona Water Banking Authority (AWBA). AWBA agreed to use its best efforts to store 1.2 million AF of Colorado River water underground in Arizona for SNWA under the Banking Agreement, and two related agreements that were executed in 2002. Also in 2002, SNWA and CRC entered into an agreement with AWBA to allow SNWA to store water in Arizona during that year while the remaining agreements were being negotiated. Under the 2002 agreement, SNWA stored 66,595 AF of Colorado River water in Arizona. In 2004, as part of a subsequent agreement, AWBA agreed to store an extra 10,000 AF of Nevada's unused Colorado River water for SNWA.

In 2004, the Board approved an amendment to the 2001 Banking Agreement that guarantees Nevada 1.25 million AF of water storage in aggregate (approximately 1.13 million AF of additional storage plus utilization of the roughly 120,000 AF of water previously stored) in Arizona. In exchange for the water stored, SNWA agreed to make an initial payment of \$100 million and payments of \$23 million per year for a ten year period beginning in 2009. Additionally, SNWA agreed to pay AWBA's actual cost to recover the stored water.

A second amendment in 2009 granted the AWBA and SNWA more flexibility in managing the storage and recovery of long-term storage credits of Colorado River water. A portion of AWBA's 2009 payment along with the payments for the period 2010 to 2012 were deferred with the payments to be determined upon approval of SNWA and AWBA. This will not alter AWBA's commitment to store 1.25 million AF of credits for SNWA.

During 2010, the SNWA, AWBA and the Central Arizona Project entered a recovery agreement that further established processes for the timing and management of recovery of water banked in Arizona for SNWA. The recovery agreement includes a provision for three years advanced notice for initial recovery of water by SNWA, maintains SNWA's ability to recover a maximum of 40,000 AF during a normal year, and provides an opportunity for additional recovery during Colorado River shortages to help offset the potential impact of shortages. The earliest the SNWA currently anticipates recovery of water from Arizona is 2018.

As of June 30, 2010, SNWA has capitalized the initial \$100 million plus ancillary charges for a total of \$129.6 million related to the Banking Agreement. AWBA has not yet requested a full annual \$23 million payment.

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Northern Resource Properties and Related Rights

In 2006 and 2007, the SNWA Board approved the purchase of seven properties in Spring Valley, Nevada. In addition to its substantial land holdings (over 23,000 acres), SNWA also acquired surface and groundwater rights associated with the properties. Through June 30, 2010, SNWA has acquired approximately 34,000 acre-feet per year (AFY) of surface water rights, 6,000 AFY of groundwater rights and 24,000 AFY of supplemental water rights. SNWA intends to use the surface water rights to help manage the groundwater basin and support other environmental management activities associated with its Clark, Lincoln and White Pine Counties Groundwater Development Project.

The Bureau of Land Management (BLM) and United States Forest Service (USFS) issue permits allowing livestock to graze on lands in districts formed primarily under the Taylor Grazing Act. These grazing permits specify grazing preference and the terms and conditions under which permittees may graze these lands during the term of the permit. They are issued by land units called allotments with units known as Animal Unit Months (AUM). An AUM is defined as the amount of forage needed by an animal unit grazing for one month (approximately 1,000 pounds of dry forage). Permits issued by the BLM and USFS are effective for ten years and are subject to renewal. As of June 30, 2010, SNWA owned permits equivalent to 64,548 AUMs.

As of June 30, 2010, SNWA has capitalized \$62.1 million of costs to acquire the northern resource properties and related rights.

Muddy River Water Rights

In 1996 the Board authorized the General Manager to request proposals for acquisition of up to 5,600 AF of Muddy River water rights from shareholders of the Muddy Valley Irrigation Company (MVIC). In 1999, SNWA purchased 3,662 AF of water rights from several shareholders. In 2000, SNWA exercised all options possible and obtained the permanent water rights associated with those options totaling 1,764 AF. The Board authorized and executed an additional purchase of shares in 2001, representing a total of 188 AF of water. In 2002 and 2004, the Board authorized the acquisition of an additional 3,300 AF and 600 AF, respectively, of Muddy River water rights bringing the total authorized for purchase to 9,500 AF. Finally, in 2008 the Board authorized the acquisition of additional shares of MVIC, along with additional shares of other northeastern Clark County rural irrigation companies. The authorization does not give a specific limit for MVIC acquisition but instead establishes a \$50 million limit for new acquisition or lease of MVIC and two other rural irrigation companies. As of June 30, 2010, SNWA has capitalized \$62.0 million of costs related to the acquisition of Muddy River water rights.

Hydropower Rights

CRC was created in 1935 for the purpose of securing and distributing Nevada's right to Colorado River water and hydroelectric power. CRC delivers Nevada's allocation of Colorado River hydroelectric power to various municipal and non-municipal customers in southern Nevada. One of those customers located in Henderson, Nevada is Pioneer Americas, LLC (Pioneer), a manufacturer of chlorine and caustic soda used in various chemical processes.

In addition to hydropower, CRC also purchased supplemental energy for Pioneer in the wholesale energy market. As a result of regional market volatility in 2000 and 2001, the price of Pioneer's portfolio of supplemental energy was higher than market, and higher than Pioneer could pay. CRC purchased Pioneer's entire portfolio of energy contracts including hydropower. In January 2003, SNWA purchased

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For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

Pioneer's hydropower contract from CRC for \$53 million, allowing CRC to retain the Pioneer supplemental energy portfolio and use the \$53 million to settle those contracts.

There are five contracts associated with the Pioneer hydropower. Two are associated with power generated at the Hoover Dam, two at the Parker-Davis Dam, and one is related to the transmission of the hydropower. The Hoover Dam contracts expire in 2017, and the Parker-Davis Dam contracts expire in 2028. SNWA expects that these contracts will be renewed for additional 20-year terms upon the initial expiration. Accordingly the hydropower is considered a perpetual resource.

The cost of the hydroelectric energy has been, and is projected to be, very stable at about \$10/megawatt hour (MWh). Adding amortization of debt for the \$53 million results in a net cost of about \$35/MWh over the next 30 years.

Virgin River Water Rights Development

In 1994, the Board agreed to accept assignment of Nevada's Virgin River water rights from LVVWD, subject to SNWA reimbursing LVVWD for all costs incurred related to the acquisition of those water rights. Additionally SNWA acquired 350 shares of Bunkerville Irrigation Company (BIC) in September, 2005. The shares represent 3,710 AF of Virgin River surface water rights. Under the terms of an agreement between SNWA and the Virgin Valley Water District (VVWD) in 2000, SNWA transferred 3,710 AF of its water rights to VVWD to assist VVWD in the development of additional groundwater resources in the Virgin River Basin. Finally, in 2008 the Board authorized the acquisition of additional shares of BIC and the Mesquite Irrigation Company (MIC). The authorization which includes MVIC as described above does not give a specific limit for acquisition. Instead it establishes a \$50 million limit for new acquisition or lease of MVIC, BIC, and MIC. As of June 30, 2010, SNWA has capitalized \$38.3 million of costs associated with the acquisition of Virgin River water rights which includes all initial payments and any subsequent research and development costs.

Coyote Springs Water Rights

In 1997, the Board authorized the General Manager to initiate negotiations for the purchase of ground water rights and a well in the Coyote Springs valley located about 60 miles northeast of Las Vegas. The well is one of the highest producing wells ever drilled in southern Nevada. In 1998, the Board approved the purchase of 7,500 AF of groundwater rights and the well with associated real property including easements. In 2002, SNWA purchased another 1,500 AF of water rights from Coyote Springs Investment, LLC. As of June 30, 2010, SNWA has capitalized \$30.9 million of costs associated with the acquisition and subsequent maintenance of Coyote Springs water rights.

In-State Water Projects

In 1989, LVVWD filed applications to appropriate water from multiple hydrographic basins located in eastern Nevada. In 2003, the Board agreed to accept assignment of those applications from LVVWD for a payment of \$9.9 million, which represented LVVWD's costs to date of developing and perfecting those water rights. As of June 30, 2010, SNWA has capitalized \$10.1 million related to the acquisition of these water rights which includes the initial payment to LVVWD plus additional costs that have been incurred.

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Other Water Rights

In 2010, SNWA acquired the contractual rights to 400 AF of Colorado River water held by an outside corporation. The \$2.0 million purchase does not increase Nevada's 300,000 AF basic apportionment of Colorado River water, but will ensure that SNWA is the sole entity authorized to receive this water.

Groundwater Management Program

In 1999, the Nevada Legislature directed SNWA to establish a Groundwater Management Program (GMP) for the Las Vegas valley. The GMP provided for the recharging of treated Colorado River water into the Las Vegas valley groundwater basin (LVVGB) for the permanent benefit of the aquifer. Funds collected as part of the GMP are used for this recharge and other programs to benefit well owners. As of June 30, 2010 SNWA has capitalized \$1.2 million associated with the GMP.

The following table summarizes the amounts capitalized related to natural resources rights as of June 30, 2010, and 2009:

<u>Natural Resources Rights</u>		
<u>Type</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Arizona Water Bank	\$ 129,629,994	\$ 116,207,792
Northern Resource Property and Rights	62,100,515	62,100,515
Muddy River Water Rights	61,986,821	49,901,178
Hydropower Rights	53,000,000	53,000,000
Virgin River Water Rights Development	38,258,949	36,753,322
Coyote Springs Water Rights	30,884,687	30,884,687
In-State Water Projects	10,134,854	10,134,854
Other Water Rights	2,000,000	
Groundwater Management Program	1,158,430	1,158,430
Total Natural Resources Rights	<u>\$ 389,154,250</u>	<u>\$ 360,140,778</u>

NOTE 9. CONSTRUCTION IN PROGRESS

SNWA maintains two capital construction programs: (1) the Major Construction and Capital Plan (MCCP) which includes capital projects that expanded capacity of the SNWS from 400 million gallons per day (MGD) in 1996 to 1015 MGD currently, building two additional intakes into Lake Mead, the acquisition of water and water rights, and other miscellaneous capital projects, and (2) the Las Vegas Wash Capital Improvements Plan (LVWCIP), which includes capital projects associated with improving water quality in the Las Vegas Wash, the natural channel that drains the Las Vegas valley into Lake Mead. Each of these capital projects is discussed in more detail later in this note.

Land costs, which include the costs of easements and other rights-of-way, and actual purchases of property, are initially classified as Construction Work In Progress (CWIP). These amounts are then closed out and allocated to Property, Plant and Equipment (PP&E). Land costs are not depreciated. Direct and indirect costs of construction of a capital project including ancillary costs directly related to

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For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

construction projects are recorded as CWIP. When a project is finished, an agenda item is brought before the Board to accept the project as complete. With Board acceptance, associated CWIP costs are closed out and allocated to PP&E.

Major Construction and Capital Plan (MCCP)

In 1994, SNWA began a capital improvements program (CIP) estimated to cost \$2.1 billion. The purpose of the CIP was to expand the capacity of the SNWS from 400 MGD to 900 MGD giving Nevada the capacity and reliability to access its entire 300,000 AF consumptive use allocation of the Colorado River, plus any banked, transferred, or purchased water that may be delivered to Nevada via the Colorado River. In 2008, the CIP was amended to add funds to construct Lake Mead Intake No. 3 bringing the gross authorized amount of the CIP to \$2.9 billion.

The express intent of the CIP was to build improvements on a phased or as-needed basis. All costs associated with the CIP were capitalized. Direct costs included land costs, costs of construction and engineering contracts and interest. Indirect costs included items such as administration, planning and design, public information, program management, construction management, and environmental mitigation.

In 2002, SNWA created the MCCP to address the need for capital projects not directly related to the expansion of the SNWS. The original MCCP defined and authorized projects that were necessary to maintain facilities in a sound and functional condition, maintain or improve water quality, develop water resources, reduce operating costs, address environmental and safety issues, provide support facilities (including power), and meet other objectives defined by the Board. The original MCCP authorized \$328 million of capital projects. By the tenth amendment in December 2008, the MCCP's total authorization had risen over fivefold.

On February 18, 2010, the Board approved an amended MCCP which combined the MCCP and CIP into one document. The consolidated document also recognized that some projects needed to be delayed because of the current economic environment. The amended MCCP includes details for \$2.4 billion of completed projects, \$1.8 billion of active projects and \$0.4 billion of deferred projects. Either the wholesale delivery charge or capital contributions are designated as the funding source for each MCCP project. Of the 45 projects comprising the \$1.8 billion active projects, \$1.7 billion (92.8%) will be funded by capital contributions and \$0.1 billion (7.1%) will be funded by the wholesale delivery charge. 18 projects (40.0%) will be funded by capital contributions while 26 projects (57.8%) will be funded by the wholesale delivery charge. One project (2.2% of projects, 0.1% of total dollars) will be jointly funded by the two revenue sources.

It is the express intent of the MCCP to build improvements on a phased or as-needed basis. All costs associated with the MCCP are capitalized. Direct costs include land costs, costs of construction and engineering contracts and interest. Indirect costs include items such as administration, planning and design, public information, program management, construction management, and environmental mitigation.

Las Vegas Wash Capital Improvements Plan (LVWCIP)

The Las Vegas Wash (the Wash) is the primary urban runoff, wastewater and floodwater outlet from the Las Vegas valley into Lake Mead and the Colorado River. The Wash is considered a critical component in the many environmental and water resource issues facing southern Nevada. The LVWCIP presents a

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summary of planned capital requirements necessary to support long-term enhancement and management of the Wash.

The LVWCIP, revised and approved by the Board on January 21, 2010, includes future projects totaling approximately \$36.6 million. Of that amount, about \$32.6 million (89.1%) is for channel stabilization facilities. The remaining \$4.0 million (10.9%) is for bank protection facilities, revegetation activities, design studies and miscellaneous programs. It is projected that these projects will be funded by 4% of the gross sales tax SNWA receives which has been designated for the Wash, as well as grants and contracts provided by various state and federal agencies.

The following shows the construction in progress balance as of June 30, 2010 and 2009:

Construction In Progress		
Type	June 30, 2010	June 30, 2009
Capital Improvements Plan	\$ 1,036,076,699	\$ 833,996,870
Major Construction and Capital Plan	392,048,721	409,634,148
Las Vegas Wash Capital Improvement Plan	26,573,646	19,588,861
Total Construction In Progress	<u>\$ 1,454,699,066</u>	<u>\$ 1,263,219,879</u>

NOTE 10. UNAMORTIZED BOND COSTS

Rather than being expensed in the year of issue, costs associated with issuing bonds are capitalized and amortized over the lives of the respective bonds. The \$4.6 million increase in unamortized costs for fiscal 2010 reflects the new issue activity undertaken by SNWA during the year (Note 14).

NOTE 11. WATER RECHARGE INVENTORY

In 1993, member agencies of SNWA entered into a cooperative agreement for the banking of water (recharge) in the LVVGB. The purpose of this agreement was to allow LVVWD to store water on behalf of the member agencies for future use. SNWA was not a party to the 1993 agreement.

In 2006, SNWA's Board approved an agreement between SNWA and the parties involved in the 1993 cooperative agreement for the sale and transfer of water banked in the LVVGB. The agreement centrally locates this water source with SNWA for future use by all member agencies. In addition, SNWA entered into a cooperative agreement with LVVWD, to allow SNWA to store water in the LVVGB for the future use of SNWA. As part of this agreement, LVVWD agreed to continue its recharge of the LVVGB, with SNWA reimbursing all related costs on a monthly basis. The agreement also allows SNWA to manage the water stored in the LVVGB for supplemental use of the valley's water supply in future years, to operate a GMP as directed by NRS 572, and other uses as deemed necessary. As of June 30, 2010, SNWA has paid \$82.2 million net of sales for 334,276 AF of storage.

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NOTE 12. ACCOUNTS PAYABLE

Accounts payable balances by category as of June 30, 2010 and 2009 are as follows:

<u>Accounts Payable</u>		
<u>Type</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Administration Expenses	\$ 15,405,781	\$ 17,578,353
Construction Contracts and Administration	14,373,063	21,880,220
Construction Contracts Retention	24,993,286	16,366,040
Total Accounts Payable	<u>\$ 54,772,130</u>	<u>\$ 55,824,613</u>

As discussed in Note 1, SNWA advanced \$19 million to LVVWD in fiscal 2009 to be applied against future daily operating costs paid by LVVWD on behalf of SNWA. The advance payment is first applied against (and eliminates) amounts currently due from SNWA to LVVWD. As of June 30, 2010, \$10,223,382 of the advance has yet to be applied against SNWA-related expenses. The unused amount is reported as a component of amounts due from member agencies (Note 4).

Effective July 1, 2007, LVVWD implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. As a result of this implementation, LVVWD allocated a portion of the costs related to postemployment benefits other than pensions to SNWA. These costs, totaling \$1,769,385 as of June 30, 2010, are included in the administration expenses amounts above.

NOTE 13. COMMITMENTS, RESERVES AND CONTINGENCIES

Economic Conditions

The United States is experiencing a widespread decline in residential real estate sales, mortgage lending and related construction activity which have severely impacted the southern Nevada economy. These factors, in addition to weakness in the commercial and investment banking systems and overseas conflicts are likely to continue to have far-reaching effects on the economic activity in the country for an indeterminate period. The long-term impact of these factors on Nevada's economy and SNWA's operations cannot be predicted at this time but may be substantial.

Construction Contracts

In connection with its three capital improvements plans, SNWA makes commitments to pay contractors working on those projects. However, SNWA only pays those contractors for the work they have completed. As of June 30, 2010, SNWA had construction contract commitments totaling approximately \$657.6 million. This is the amount SNWA will be obligated to pay if all contractors perform per their contracts. SNWA could substantially reduce the amount of this commitment by notifying contractors to suspend further work and by paying for work completed to that point.

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Pending Regional Connection Charge Refunds

SNWA has recorded a liability of \$4.8 million for pending refunds related to projects cancelled by LVVWD. Management is currently unable to reasonably estimate the liability of other purveyor members due to insufficient available documentation and the impracticality of obtaining such information (Note 1, Restatement and Reclassifications).

Operating Leases

Lease Obligations

In 2004 the Board approved a non-cancelable operating lease agreement between Parkway Center, LLC (Molasky) and SNWA for office space at the Molasky Corporate Center located in downtown Las Vegas located at 100 City Parkway. The original lease allowed SNWA to lease 129,375 square feet of office space beginning August 1, 2007, for a period of twenty years with renewal options. Two additional amendments approved in 2006 added an additional 52,994 square feet of office space for the same twenty year period. On December 21, 2007, SNWA exercised its purchase option on the office space described in the original 2004 lease, thereby reducing the amount of office space subject to the lease agreement with Molasky to 52,994 square feet. LVVWD leases 34,898 square feet within the area leased and/or owned by SNWA. See Lease Receivables below. The 2006 amendments allow for an escalation factor of 4% annually, with parking spaces receiving no escalation. For the fiscal year ended June 30, 2010, SNWA paid \$2,634,611 on the lease. Leasehold improvements are charged to SNWA's MCCC capital program as incurred.

SNWA leases 2.27 acres of land from the Moapa Valley Water District (MVWD). The land located in the Moapa Valley includes a fenced yard, approximately 1,200 square feet of office space and approximately 3,200 square feet of adjoining shop space. The lease expires in May 2014, and annual lease payments are \$33,252. There is no escalation clause in the lease. This facility is being used to pursue additional water sources in the Moapa Valley where SNWA has substantial water rights. SNWA subleases this property to the MVIC (see Lease Receivables below).

In April 2005, SNWA agreed to lease approximately 2,000 square feet of office and visitor space, adjoining parking, and existing commercial signage located in downtown Ely, Nevada. The lease expires in 2012. The office is to facilitate staff involved in development and outreach in the Clark, Lincoln, and White Pine Counties' groundwater development projects and the integrated water planning process. Annual lease payments are \$9,600. There is no escalation clause in the lease.

In March 2006, the Board approved an agreement between the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints (CPB) and SNWA. The agreement allows SNWA to lease up to 2,001 AF of water annually from CPB. The initial lease is for a twenty year period with the option to renew for two additional ten year periods. The rate per AF is \$130 with an additional \$100 per AF surcharge if the water is used outside the MVWD service territory. The lease contains an escalation clause based on the Consumer Price Index for All Urban Customers All Items Unadjusted.

In April 2008, the Board approved agreements allowing SNWA to lease rights from shareholders of the MVIC, the BIC and the MIC (the Mesquite leases). The approval allows the Mesquite leases to be offered for any period of time that is agreeable to SNWA and the water rights holder. All current Mesquite leases are set to begin on October 1, 2008, and are from one to ten years in duration with an annual escalation factor of 3%.

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In February, 2009, the Board approved an agreement between the Moapa Band of Paiute Indians (the Tribe) and SNWA. The agreement allows SNWA to sublease between 2,300 and 3,700 AF of water from the Tribe's MVIC lease for five years at the price of \$210 per AF subject to an annual CPI adjustment beginning the second year. For the first three years of the sublease the Tribe will have the right to use 400 AF and in the remaining years the Tribe may use 1,400 AF. Provisions are also available for the lease to be extended upon agreement of both parties.

In March 2009, the Board approved an agreement with MVIC allowing SNWA to lease winter irrigation water rights from MVIC. The nineteen year lease agreement allows SNWA to lease 3,000 AF of water per winter season at \$442,801 per year for the first nine years and 1,000 AF of water per winter season at \$259,488 per year for the next ten years. Each of these amounts has an attached escalation factor of 3% annually after the first year of activation. SNWA would also pay \$25 per AF (escalated annually) to MVIC for conveying any of this water through the MVIC water distribution system to Lake Mead.

None of the leases listed above contain contingent rentals, which are rentals in which amounts are dependent upon some factor other than the passage of time.

The following table shows the remaining minimal rental payments due under the terms of the lease contracts described above.

Lease Obligations

Fiscal Year June 30	Molasky	MVWD	Ely Office Space	CPB	Mesquite Leases	Tribe Lease
2011	\$ 2,526,914	\$ 33,252	\$ 9,600	\$ 260,130	\$ 4,914,873	\$ 693,000
2012	2,616,252	33,252	9,600	260,130	272,971	483,000
2013	2,709,136	33,252	-	260,130	195,095	483,000
2014	2,805,708	33,252		260,130	52,651	-
2015	2,906,113	-		260,130	54,230	
2016-2020	15,891,303			1,300,650	172,672	
2021-2025	18,715,373			1,300,650		
2026-2030	8,497,264			520,260		
	<u>\$ 56,668,063</u>	<u>\$ 133,008</u>	<u>\$ 19,200</u>	<u>\$ 4,422,210</u>	<u>\$ 5,662,493</u>	<u>\$ 1,659,000</u>

Fiscal Year June 30	MVIC Lease	BLM Lease	Total
2011	\$ 456,085	\$ 13,440	\$ 8,907,295
2012	469,768	13,440	4,158,413
2013	483,861	13,440	4,177,914
2014	498,377	13,440	3,663,557
2015	513,328	13,440	3,747,241
2016-2020	2,161,007		19,525,632
2021-2025	1,461,558		21,477,581
2026-2030	986,423		10,003,948
	<u>\$ 7,030,407</u>	<u>\$ 67,200</u>	<u>\$ 75,661,581</u>

May be off slightly due to rounding

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Lease Receivables

In 2006, SNWA entered into an interlocal sublease agreement with LVVWD regarding office space that is either purchased or leased from Molasky. The twenty year agreement allows LVVWD to lease 8,000 square feet of space from the floors owned by SNWA and 26,240 square feet from the area leased from Molasky. The space owned by SNWA that is being leased has an approximate carrying value of \$5,736,119 with \$567,824 in accumulated depreciation having been taken through June 30, 2010. In addition LVVWD pays a share of leasehold improvements. The sublease assumes a ten year useful life on leasehold improvements and LVVWD pays a pro-rated share of the amortized value of such improvements. The sublease contains no escalation clauses. Also LVVWD is responsible for any utilities and services assessed to SNWA for the space occupied by LVVWD. For the remaining period of the lease SNWA anticipates to receive a minimum \$26,602,983 of aggregate payments.

In January 2009, SNWA acquired through assignment and assumption a three year lease with PN II, Inc. (PN). PN entered into a five year lease in 2006 with the previous owner of 119.5 shares of MIC for the water controlled by those shares. Per the terms of the assumption, SNWA will receive the annual lease payments of \$191,200 for the next three years with an option to extend the lease. The lease contains no escalation clauses. For the remaining period of the lease SNWA anticipates to receive a minimum \$382,400 of aggregate payments.

In March 2009, the Board approved three agreements with NV Energy Company (NVE). One agreement allows NVE to lease 1,050 AF of SNWA water over a ten year period for an annual price of \$83,721 per year. This annual payment is required to be paid regardless of whether or not the water is utilized. The lease expires in 2052. The second agreement allows NVE to lease a maximum of 2,200 AF of Muddy River water per winter season for the first nine years and a maximum of 1,000 AF of Muddy River water per winter season for years 10 through 19. Payments will be made only on an as-used basis with a maximum pre-escalation payment of \$274,804 per year during the first nine years and a maximum pre-escalation payment of \$259,493 per year during the remaining term of the lease. The final lease allows NVE to option an additional 800 AF of water per year during the first nine year winter season described above for a cost of \$291.83 per AF. All amounts described in this paragraph are subject to a 3% annual escalation. For the remaining period of the leases SNWA anticipates to receive a minimum \$6,986,843 of aggregate payments.

In January 2010, the Board approved a lease agreement between SNWA and the U.S. Bureau of Reclamation (Reclamation). The lease allows Reclamation use of fifteen acres of SNWA land until April 5, 2055. Lease payments of \$436,000 were made in February 2010, with an additional payment of \$436,000 due in October 2010 (the only remaining payment). The lease contains no escalation clause.

Except as noted, none of the subleases listed above contain contingent rentals.

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The following table shows the future minimum rental incomes for the next five years due under the terms of the lease contracts described above.

Lease Receivables					
Fiscal Year June 30	LVVWD	PN II	NVE	Bureau of Reclamation	TOTAL
2011	\$ 1,564,881	\$ 191,200	\$ 88,820	\$ 436,000	\$ 2,280,901
2012	1,564,881	191,200	91,484		1,847,566
2013	1,564,881		94,229		1,659,110
2014	1,564,881		97,056		1,661,937
2015	1,564,881		99,967		1,664,849
	\$ 7,824,404	\$ 382,400	\$471,555	\$ 436,000	\$9,114,363

May be off slightly due to rounding

Forward Energy Contracts

Because Las Vegas is uphill from its major water supply, reliable electrical service is essential to SNWA's ability to deliver water. To gain more control over energy reliability and costs, SNWA manages the majority of its power supply rather than purchasing energy from the local regulated investor-owned utility under tariff rates approved by the Nevada Public Utilities Commission. This provides stability of future prices and projected savings over the same commodity purchased from the regulated utility.

To provide electrical energy at a known and budgeted cost, SNWA actively manages a portfolio of energy resources and adheres to a strict set of energy risk management procedures established by a Risk Management Committee that serves to fulfill the Energy Risk Management Policy adopted by the Board. The portfolio is composed solely of electricity forward, generation and transmission contracts as well as financial power and natural gas swaps. Among the electricity forward contracts are long-term contracts for the purchase of hydropower from federal dams along the Colorado River. Because the portfolio exists solely for purposes of serving SNWA's projected energy requirements over the next 10 years, the forward energy contracts are considered to be "normal purchases and sales contracts" and therefore they are considered to be outside the scope of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

The primary risks associated with this portfolio are counter-party credit and termination risks, which are managed by policies and procedures that require careful financial evaluation of trading partners, trading limits and in some cases as specified by policy, the posting of collateral.

As of June 30, 2010, SNWA had net energy contract commitments totaling approximately \$171.6 million.

Generating Assets

SNWA owns 25% of the Silverhawk electric power generating plant located in the Apex industrial area approximately 20 miles northeast of Las Vegas. NVE is the majority owner of the 580 megawatt (MW), natural gas fired plant. SNWA has paid 25% of the construction costs, is obligated to pay 25% of the operating costs and is entitled to 25% of the generated electricity. For a period of eight years beginning June 1, 2005 SNWA entered into an energy exchange agreement with NVE whereby NVE has the right to

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dispatch the plant using their professional judgment, and SNWA receives 75 MW firm delivered power 24 hours per day.

In addition to Silverhawk, the SNWA also owns approximately .5 MW of solar generation and 2.1 MW of small hydro generation.

Federal Grants

SNWA has received a total of \$19.9 million from the federal government through the U.S. Bureau of Reclamation as partial reimbursement of the costs incurred by its member agencies to build reclaimed water facilities in the Las Vegas valley. These reclaimed water facilities reduce the demand on potable water facilities by providing treated wastewater for irrigation use by golf courses. Pursuant to a 2004 agreement between SNWA and the Southern Nevada Water Recycling Project, SNWA has distributed \$15.0 million of these funds through June 30, 2010.

Litigation

SNWA is a defendant in various litigation matters. Although the outcome of these matters is not presently determinable, it is management's opinion based upon advice from legal counsel that the risk of financial losses to SNWA from such litigation will not have a material adverse effect on its future financial position, results of operations or cash flows. Accordingly, no provision has been made for any such losses.

NOTE 14. OUTSTANDING DEBT

Pursuant to the Transfer Act discussed in Note 1, SNWA assumed responsibility for all CRC debt associated with the SNWS as of January 1, 1996. In 1997, SNWA received authorization to sell its bonds directly to the Nevada State Bond Bank. In 1999, SNWA received authorization to sell its bonds through a newly authorized Clark County Bond Bank. SNWA also has bonds payable, which were issued by LVVWD on SNWA's behalf. Because the state and county bond banks have not dealt in commercial paper or adjustable rate bonds, SNWA will continue to use LVVWD to sell those kinds of debt instruments and use the Nevada and Clark County bond banks to sell long-term fixed-rate bonds whenever feasible.

Debt Covenants

Management believes that SNWA has complied with all legal requirements, limitations, and restrictions imposed by debt covenants. SNWA is required to set charges for its purveyor members that when combined with unrestricted assets available for debt service create levels sufficient to cover all operating and maintenance expenses (excluding depreciation), all debt service requirements and amounts required to be deposited in reserve accounts, if any. Other requirements of long-term debt covenants include adequate insurance coverage for liability, property, and LVVWD employees and an annual audit of SNWA's basic financial statements by independent certified public accountants. Covenants are reviewed periodically by outside bond counsel to insure adherence.

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Defeasance of Debt

CRC, LVVWD, and SNWA have issued bonds to advance refund portions of previous debt issues. Proceeds from advance refunding bond issuances have been placed in escrow accounts to fund debt service requirements as they come due. As of June 30, 2010, ten bond issues with \$492,170,000 in prior year in-substance defeased debt remain outstanding. The assets in these escrow accounts, as well as the liabilities for those in-substance defeased debt issues, have been removed from SNWA's financial statements. Furthermore, in accordance with GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, any accounting gain or loss resulting from these transactions has been deferred and is being amortized over the life of the related debt (Note 15).

Current Year Debt Issuance Activity

On August 5, 2009, LVVWD issued, on SNWA's behalf, \$100 million of general obligation bonds in two separate issues. LVVWD 2009A was issued as a Build America Bond and carried a par value of \$90 million. LVVWD 2009B was issued as a tax exempt bond and carried a par value of \$10 million. The proceeds from each of these issues provided funds for future construction projects.

On October 22, 2009, Clark County issued, on SNWA's behalf, \$50 million of general obligation bonds. Proceeds from this issue were used to partially refund five existing bond issues.

On December 11, 2009, the state of Nevada issued on SNWA's behalf \$2.75 million of water revenue bonds. Proceeds were not delivered at time of bond closing but can be drawn as needed over the next three years.

On December 23, 2009, LVVWD issued, on SNWA's behalf, \$420.1 million of general obligation bonds in two separate issues. LVVWD 2009C was issued as a Build America Bond and carried a par value of \$348.1 million. LVVWD 2009D was issued as a tax exempt bond and carried a par value of \$72.0 million. The proceeds from the issues provided funds for future construction projects and partially refunded one existing bond issue.

On June 24, 2010, the state of Nevada on SNWA's behalf issued \$7.405 million of general obligation bonds. Proceeds from this issue were used to fully refund one issue and partially refund two other issues.

Additional details on these issues follow below.

The following is a comprehensive summary of each of the outstanding debt issues as of June 30, 2010.

State of Nevada Loan No. SNWA-1

Nevada law has created an account for the Nevada revolving fund. This account finances the construction of public water system projects authorized by the federal Safe Drinking Water Act. This federally financed program requires that funds made available to each state must be committed and used each year; otherwise future financing opportunities under the program are lost to the state. SNWA's CIP project to build ozone facilities to disinfect water at the Alfred Merritt Smith Water Treatment Facility qualified under the statutory and regulatory requirements, and was the only such project within the state that qualified for that year's funding. Therefore, in 1999, SNWA applied for and received a loan from Nevada for the \$12,269,695 in available funding to keep the money within Nevada. The interest rate on the loan

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For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

is fixed at 3.61% and the term is 20 years. Constant semiannual payments of principal and interest are due on August 1 and February 1.

State of Nevada Loan No. SWNA-2

On June 29, 2001, SNWA received a second loan from the Nevada revolving fund in the amount of \$10 million. SNWA applied for this loan to help preserve Nevada's access to federal Safe Drinking Water Act funds that would otherwise be lost to the public water systems in Nevada. The interest rate on the loan is fixed at 3.46%, and the term is 20 years. Constant semiannual payments of principal and interest are due on August 1 and February 1.

CRC 1997B Bonds

These general obligation bonds in the original amount of \$5,545,000 were sold by CRC on September 24 1997. The funds were used to advance refund certain maturities of CRC 1992 bonds. \$2,210,000 of CRC's 2010B bond issue was used to defease the last three coupons of this issue thereby paying off this issue on June, 2010. The interest rate on these bonds was 5.07%.

SNWA 1998 Bonds

These general obligation bonds in the original amount of \$300,000,000 were sold by SNWA through the State Bond Bank on July 9, 1998. This marked the first time SNWA had used the authorization granted by the 1997 Nevada Legislature to sell bonds directly to the Nevada State Bond Bank. This was a new money bond issue and the \$296,236,936 it generated was added to the construction fund for CIP. Originally these bonds matured annually on May 15 through 2028. Because \$254,400,000 of SNWA's 2005F bond issue was used to defease the later maturities of this issue, payments from November 15, 2005 to November 15, 2027 will be interest only, with the final payment of interest and all remaining principal on May 15, 2028. Interest is payable semiannually on May 15 and November 15. The interest rate is 5.00%.

CRC 1999A Bonds

These general obligation bonds in the original amount of \$25,730,000 were sold by CRC on October 1, 1999. SNWA has contracted with CRC to construct and operate the power facilities associated with CIP. These funds were used to construct Phase II of the CRC Power Delivery Project. Title to these facilities will remain with CRC. However, SNWA has an exclusive right to use these facilities in perpetuity, and an obligation to make debt service payments as they come due. Therefore, the assets and liabilities associated with these facilities are carried on the books of SNWA as well as CRC. Originally, these bonds matured annually on September 15 through 2029. Because \$22,295,000 of CRC 2005I bond issue was used to defease the later maturities of this issue, the remaining bond matured on September 15, 2009. The interest rate was 6.50%.

SNWA 2000 Bonds

These general obligation bonds in the original amount of \$200,000,000 were sold by SNWA through the Clark County Bond Bank on July 11, 2000. SNWA was the first local government to use the Clark County Bond Bank authorized by the 1999 Legislature to issue bonds. This was a new money bond issue and the \$197,661,802 it generated was added to the construction fund for the CIP. Originally, these bonds matured annually on July 1 with semiannual interest payments. \$170,730,000 of the SNWA 2006

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refunding bond issue was used to defease the later maturities of this issue and \$4,375,000 of the SNWA 2009 Refunding bond issue fully paid this issue in fiscal 2010. The interest rate was 6.00%.

SNWA 2001 Bonds

These general obligation bonds in the original amount of \$250,000,000 were sold by SNWA through the Clark County Bond Bank on June 13, 2001. This was the second time SNWA used the Clark County Bond Bank authorized by the 1999 Nevada Legislature to issue bonds. \$116,259,653 was used on July 3, 2001, to prepay the two federal repayment contracts related to the Robert E. Griffith Project title transfer. The remainder was added to the construction fund for the CIP. These bonds mature annually on June 1 from 2004 to 2031. Interest is payable semiannually on June 1 and December 1. Because \$63,795,000 of the SNWA 2006 refunding bond issue and \$17,795,000 of the SNWA 2009 Refunding issue were used to defease a major portion of this bond only interest payments will be made for all but three of the remaining years. The interest rate is 5.00%.

SNWA 2002 Bonds

These general obligation bonds in the original amount of \$200,000,000 were sold by SNWA through the Clark County Bond Bank on November 19, 2002. This entire issue's proceeds were added to the construction fund for the CIP. These bonds mature annually on June 1 from 2005 to 2032. \$97,455,000 of proceeds from the SNWA 1106 issue and \$13,605,000 of proceeds from the SNWA 2009 Refunding issue were used to defease a portion of this issue. Interest is payable semiannually on June 1 and December 1. The interest rate is 4.78%.

LVVWD 2003B Bonds

The letter of credit which facilitated the tax-exempt commercial paper program that LVVWD started for SNWA in 1998 expired on January 14, 2003. On January 9, 2003, LVVWD issued \$250,000,000 in long-term general obligation bonds to completely retire the \$250,000,000 in tax-exempt commercial paper notes. These bonds mature annually on June 1 from 2004 to 2027. \$23,385,000 of the SNWA 2009D issue was used to defease three years' principal on this issue. Interest is payable semiannually on June 1 and December 1. The interest rate is 4.66%.

CRC 2003C Bonds

These Nevada general obligation bonds in the original amount of \$21,515,000 were sold by CRC on September 17, 2003. The funds were used to advance refund certain maturities of CRC 1993 Bonds. These bonds mature annually on July 1, 2004 through 2011. \$455,000 of the CRC 2010B issue was used to defease one years' principal on this issue. Interest on these bonds is payable semiannually on January 1 and July 1. The interest rate is 4.61%

LVVWD 2005B Bonds

These general obligation bonds in the original amount of \$27,925,000 were sold on April 13, 2005. The proceeds of the bond sale were used to completely refund \$3,060,000 of LVVWD March 1995 series bonds, and partially refund \$6,295,000 of LVVWD July 1995 series bonds and \$19,205,000 of LVVWD 1996A series bonds. These bonds matured annually on June 1 through 2010. Interest on these bonds was payable semiannually on June 1 and December 1. The interest rate was 3.24%.

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For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

SNWA 2005F Bonds

These general obligation bonds in the original amount of \$249,365,000 were sold on May 17, 2005. The proceeds of the bond sale were used to partially refund \$254,400,000 of SNWA's 1998 series bonds. These bonds mature annually on December 1 through 2026. Interest on these bonds is payable semiannually on June 1 and December 1. The interest rate is 4.30%.

CRC 2005H Bonds

These general obligation bonds in the original amount of \$36,130,000 were sold on March 23, 2005. The proceeds of the bond sale were used to partially refund \$35,615,000 of CRC 1994 series bonds. These bonds mature annually on June 30 through 2027. Interest on these bonds is payable semiannually on January 1 and June 30. The interest rate is 4.73%.

CRC 2005I Bonds

These general obligation bonds in the original amount of \$65,300,000 were sold on March 23, 2005. The proceeds of the bond sale were used to partially refund \$41,550,000 of CRC 1994 series bonds, and \$22,295,000 of CRC 1999A series bonds. These bonds mature annually on September 15 through 2029. Interest on these bonds is payable semiannually on March 15 and September 15. Interest rate is 4.53%.

SNWA 2006 Refunding

These general obligation bonds in the original amount of \$242,880,000 were sold on May 22, 2006. The proceeds of the bond sale were used to partially refund \$170,730,000 of SNWA 2000 series bonds, and \$63,795,000 of SNWA 2001 series bonds. These bonds mature annually on June 1 through 2030. Interest on these bonds is payable semiannually on December 1 and June 1. The interest rate is 4.59%.

CRC 2006D Bonds

These general obligation bonds in the original amount of \$111,840,000 were sold on July 11, 2006. The proceeds of the bond sale were used to fully refund the CRC 1995 series bonds. These bonds mature annually on July 1 through 2024. \$4,495,000 of the CRC 2010B issue was used to defease one years' principal on this issue. Interest on these bonds is payable semiannually on January 1 and July 1. The interest rate is 4.50%.

SNWA 1106 Bonds

These general obligation bonds in the original amount of \$604,140,000 were sold on November 2, 2006. The proceeds of the bond sale were used to partially refund \$103,120,000 of SNWA 2001 series bonds, and \$97,455,000 of SNWA 2002 series bonds. The issue also generated \$392,810,379 of new money which was added to the construction fund. The bonds mature annually on November 1 through 2036. \$4,345,000 of the SNWA 2009 refunding issue was used to partially refund this issue. Interest on these bonds is payable semiannually on May 1 and November 1. The interest rate is 4.49%.

LVVWD 2008B Bonds

These general obligation bonds in the original amount of \$171,720,000 were sold on February 19, 2008. The proceeds of the bond sale were used to refund \$183,420,000 of LVVWD 1998 series bonds. These

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bonds mature annually on June 1 through 2026. Interest on these bonds is payable semiannually on December 1 and June 1. The interest rate is 4.12%.

SNWA 2008 Bonds

These general obligation bonds in the original amount of \$400,000,000 were sold on July 2, 2008. The proceeds of the bond sale were added to the construction fund. These bonds mature annually on June 1 through 2038. \$14,040,000 of the SNWA 2009 refunding issue was used to partially refund this issue. Interest on these bonds is payable semiannually on December 1 and June 1. The interest rate is 4.63%.

SNWA Subordinate Lien Revenue 2008 Bonds

These subordinate lien bonds in the original amount of \$6,900,000 were sold on July 30, 2008. The proceeds of the bond sale reimbursed SNWA for investments in clean energy capital projects. The bonds mature annually on December 15 through 2022. Interest on these bonds is payable quarterly on March 15, June 15, September 15, and December 15. The interest rate is 1.17%.

LVVWD 2009A Bonds

These general obligation bonds in the original amount of \$90,000,000 were issued on August 5, 2009. The proceeds of the bond sale were added to the construction fund. These bonds mature annually on June 1 through 2039. Interest on these bonds is payable semiannually on December 1 and June 1. Since the bonds were issued as Build America Bonds as defined under the American Recovery and Reinvestment Act of 2009 (ARRA) the United States Treasury Department refunds 35% of all interest expense to SNWA. The interest rate net of this Federal participation is 4.67%. During upcoming years the annual debt service will add \$4,153,500 to yearly debt payment requirements.

LVVWD 2009B Bonds

These general obligation bonds in the original amount of \$10,000,000 were issued on August 5, 2009 and mature annually on June 1 through 2032. The proceeds of the bond sale were added to the construction fund. Interest on these bonds is payable semiannually on December 1 and June 1. The interest rate is 4.97%. The additional annual debt service requirements will increase as much as \$824,712.

SNWA 2009 Refunding

These general obligation bonds in the original amount of \$50,000,000 were issued on October 22, 2009 and mature annually on June 1 through 2030. The proceeds of the bond sale were used to partially refund the following five bond series detailed below. Interest on these bonds is payable semiannually on December 1 and June 1. The interest rate is 4.50%. During the life of the bonds, the additional annual debt service will add as much as \$4,280,000 to yearly debt payment requirements.

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Notes to Basic Financial Statements

For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

Proceeds from the bonds along with \$2,913,106 of premium less sundry bond issue costs were deposited into escrow to refund \$54,160,000 payments of existing bonds as follows:

<u>Issue Name</u>	<u>Period Refunded</u>	<u>Principal Refunded</u>
SNWA 2000 Bonds	July 1, 2010	\$4,375,000
SNWA 2001 Bonds	June 1, 2010 to June 1, 2012	17,795,000
SNWA 2002 Bonds	June 1, 2010 to June 1, 2012	13,605,000
SNWA 1106 Bonds	November 1, 2010 (Partial)	4,345,000
SNWA 2008 Bonds	June 1, 2011 to June 1, 2012	14,040,000
		<hr/> <hr/>
		\$54,160,000

SNWA 2009 Refunding provides needed cash flow relief for near term accounting periods. The issue is projected to cost an additional \$4,509,566 total over its twenty year life.

SNWA 2009 Water Revenue Bonds

These water revenue bonds were issued by the state of Nevada on behalf of SNWA on October 22, 2009. The obligation as represented by the bond is \$2,750,000 or such lesser amount as shall represent the aggregate principal amount advanced under the loan contract. SNWA may draw funds to the maximum amount after proper authorized documentation is delivered to the Department of Conservation and Natural Resources, Division of Environmental Protection. SNWA is obligated to start repayment of the loan on the first January 1 or July 1 immediately following the date in which SNWA cumulative draws equal \$2,750,000 or October 22, 2012 whichever occurs first. Semi annual payments will be due on January 1 and July 1. The interest rate is 0.00%. During the life of the bonds, the additional annual debt service will add as much as \$137,500 to yearly debt payment requirements.

LVVWD 2009C Bonds

These general obligation bonds in the original amount of \$348,115,000 were issued on December 23, 2009 and will mature annually on June 1 through 2039. The proceeds of the bond sale were added to the construction fund. Interest on these bonds is payable semiannually on December 1 and June 1. Since the bonds were issued as Build America Bonds as defined under the ARRA the United States Treasury Department refunds 35% of all interest expense to SNWA. The interest rate net of this Federal participation is 4.64%. The issue will add \$16,028,085 to yearly debt payment requirements.

LVVWD 2009D Bonds

These general obligation bonds in the original amount of \$71,965,000 were sold on December 23, 2009. The proceeds of the bond sale were used to partially refund LVVWD 2003B bonds with the remaining proceeds added to the construction fund. These bonds mature annually on June 1 through 2030. Interest on these bonds is payable semiannually on December 1 and June 1. The interest rate is 4.37%. During the life of the bonds, the additional annual debt service will add as much as \$6,378,237 to yearly debt payment requirements.

Proceeds from the bonds were deposited into escrow to refund the \$23,385,000 of the LVVWD 2003B bonds constituting payments from June 1, 2010 to June 1, 2012 inclusive. The refunding portion of this

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Notes to Basic Financial Statements

For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

issue provides much needed cash flow relief for near term accounting periods and is projected to cost an additional \$1,404,811 total over its twenty year life.

CRC 2010B Bonds

These general obligation bonds in the original amount of \$7,405,000 were sold on June 24, 2010. The proceeds of the bond sale were used to fully refund one issue and partially refund two other issues detailed below. These bonds mature annually on June 1 through 2020. Interest on these bonds is payable semiannually on December 1 and June 1. The interest rate is 3.695%. During the life of the bonds, the additional annual debt service will add as much as \$1,222,486 to yearly debt payment requirements.

Proceeds from the bonds less sundry bond issue costs were deposited into escrow to refund \$7,160,000 payments of existing bonds as follows:

<u>Issue Name</u>	<u>Period Refunded</u>	<u>Principal Refunded</u>
CRC 1997B Bonds	July 1, 2010 to July 1, 2012	\$2,210,000
CRC 2003C Bonds	July 1, 2010	455,000
CRC 2006D Bonds	July 1, 2010	4,495,000
		<hr/> <hr/>
		\$7,160,000

CRC 2010B Bonds provide needed cash flow relief for near term accounting periods. The issue is projected to cost an additional \$1,888,906 total over its fifteen year life.

LVVWD Commercial Paper

On March 10, 2004, LVVWD began a new Tax-Exempt Commercial Paper (TECP) program for SNWA that authorized the issuance of up to \$400 million in TECP notes. The entire balance is currently issued. The proceeds were used to fund SNWA's CIP, to purchase a 25% interest in the Silverhawk power plant, and to purchase water resources. The TECP program was renegotiated on May 6, 2009 and is currently facilitated by a letter of credit between LVVWD, BNP Paribas (BNP), and JP Morgan Chase National Association (Chase). BNP agreed to provide credit support until March 8, 2011 and Chase has agreed to provide credit support until May 6, 2012. Each agreement has an option for renewal. The average interest rate on the \$400 million outstanding as of June 30, 2010 was 0.33%. Commercial paper is traded on the open market and is subject to market interest fluctuations. The TECP notes are composed of 21 tranches ranging in size from \$3.0 million to \$37.5 million, and ranging in maturity from 16 to 193 days.

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For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

The following schedules present changes in long-term debt for the years ending June 30, 2010 and 2009.

Outstanding Debt Activity, June 30, 2010

Debt Issue	Beginning Balance July 1, 2009	Additions	Retirements	Ending Balance June 30, 2010
SNWA-1	\$ 7,810,726		\$ (589,973)	\$ 7,220,753
SNWA-2	7,024,015		(457,837)	6,566,178
Subtotal Notes Payable	<u>14,834,741</u>		<u>(1,047,810)</u>	<u>13,786,931</u>
CRC 1997B	2,210,000		(2,210,000)	
SNWA 1998	21,350,000			21,350,000
CRC 1999A	635,000		(635,000)	
SNWA 2000	4,375,000		(4,375,000)	
SNWA 2001	55,180,000		(17,795,000)	37,385,000
SNWA 2002	83,335,000		(13,605,000)	69,730,000
LVVWD 2003B	212,265,000		(23,385,000)	188,880,000
CRC 2003C	610,000		(455,000)	155,000
LVVWD 2005 B	7,010,000		(7,010,000)	-
SNWA 2005 F	242,650,000		(7,810,000)	234,840,000
CRC 2005 H	31,620,000			31,620,000
CRC 2005 I	63,940,000		(1,440,000)	62,500,000
SNWA 2006 Refund	238,630,000		(1,405,000)	237,225,000
CRC 2006 D	96,785,000		(4,495,000)	92,290,000
SNWA 1106	604,140,000		(11,230,000)	592,910,000
LVVWD 2008B	170,025,000		(1,760,000)	168,265,000
SNWA 2008	400,000,000		(14,040,000)	385,960,000
SNWA sub 2008	6,440,000		(460,000)	5,980,000
LVVWD 2009A		\$ 90,000,000		90,000,000
LVVWD 2009B		10,000,000		10,000,000
SNWA 2009 Refund		50,000,000		50,000,000
SNWA 2009 Water Revenue		63,020		63,020
LVVWD 2009C		348,115,000		348,115,000
LVVWD 2009D		71,965,000		71,965,000
CRC 2010B		7,405,000		7,405,000
Subtotal Bonds Payable	<u>2,241,200,000</u>	<u>\$ 577,548,020</u>	<u>(112,110,000)</u>	<u>2,706,638,020</u>
Total Debt Before				
Commercial Paper	2,256,034,741	577,548,020	(113,157,810)	2,720,424,951
LVVWD Commercial Paper	<u>400,000,000</u>			<u>400,000,000</u>
Total Debt Before				
Unamortized Discounts and Premiums	<u>\$ 2,656,034,741</u>	<u>\$ 577,548,020</u>	<u>\$ (113,157,810)</u>	3,120,424,951
Unamortized Discounts and Premiums				<u>64,214,527</u>
Net Debt				<u>\$ 3,184,639,478</u>

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Composition of Outstanding Debt, June 30, 2010

Debt Issue	Ending Balance	Current Portion	Long-Term Portion	Accrued Interest
SNWA-1	\$ 7,220,753	\$ 611,462	\$ 6,609,291	\$ 107,292
SNWA-2	6,566,178	473,815	6,092,363	93,512
Subtotal Notes Payable	<u>13,786,931</u>	<u>1,085,277</u>	<u>12,701,654</u>	<u>200,804</u>
CRC 1997B				
SNWA 1998	21,350,000		21,350,000	133,438
CRC 1999A				
SNWA 2000				
SNWA 2001	37,385,000		37,385,000	147,547
SNWA 2002	69,730,000		69,730,000	279,529
LVVWD 2003B	188,880,000		188,880,000	764,758
CRC 2003C	155,000	155,000		
LVVWD 2005 B				
SNWA 2005 F	234,840,000	8,985,000	225,855,000	930,377
CRC 2005 H	31,620,000		31,620,000	
CRC 2005 I	62,500,000	2,170,000	60,330,000	873,500
SNWA 2006 Refund	237,225,000	1,460,000	235,765,000	865,269
CRC 2006 D	92,290,000	4,720,000	87,570,000	
SNWA 1106	592,910,000	2,895,000	590,015,000	4,352,716
LVVWD 2008B	168,265,000	9,275,000	158,990,000	651,346
SNWA 2008	385,960,000		385,960,000	1,529,077
SNWA sub 2008	5,980,000	460,000	5,520,000	2,852
LVVWD 2009A	90,000,000		90,000,000	506,311
LVVWD 2009B	10,000,000		10,000,000	37,503
SNWA 2009 Refund	50,000,000		50,000,000	198,087
SNWA 2009 Water Revenue	63,020		63,020	
LVVWD 2009C	348,115,000		348,115,000	1,953,823
LVVWD 2009D	71,965,000		71,965,000	284,670
CRC 2010B	7,405,000		7,405,000	4,475
Subtotal Bonds Payable	<u>2,706,638,020</u>	<u>30,120,000</u>	<u>2,676,518,020</u>	<u>13,515,278</u>
Total Debt Before Commercial Paper	2,720,424,951	31,205,277	2,689,219,674	13,716,082
LVVWD Commercial Paper	<u>400,000,000</u>	<u>400,000,000</u>		<u>188,772</u>
Total Debt Before Unamortized Discounts and Premiums	<u>\$ 3,120,424,951</u>	<u>\$ 431,205,277</u>	<u>\$ 2,689,219,674</u>	<u>\$ 13,904,854</u>

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For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

Outstanding Debt Activity, June 30, 2009

Debt Issue	Beginning Balance July 1, 2008	Additions	Retirements	Ending Balance June 30, 2009
SNWA-1	\$ 8,379,963		\$ 569,237	\$ 7,810,726
SNWA-2	7,466,412		442,397	7,024,015
Subtotal Notes Payable	<u>15,846,375</u>		<u>1,011,635</u>	<u>14,834,741</u>
CRC 1997B	2,880,000		670,000	2,210,000
SNWA 1998	21,350,000			21,350,000
CRC 1999A	1,235,000		600,000	635,000
SNWA 2000	8,520,000		4,145,000	4,375,000
SNWA 2001	60,495,000		5,315,000	55,180,000
SNWA 2002	87,485,000		4,150,000	83,335,000
LVVWD 2003B	219,295,000		7,030,000	212,265,000
CRC 2003C	4,510,000		3,900,000	610,000
LVVWD 2005 B	13,695,000		6,685,000	7,010,000
SNWA 2005 F	249,365,000		6,715,000	242,650,000
CRC 2005 H	31,620,000			31,620,000
CRC 2005 I	65,300,000		1,360,000	63,940,000
SNWA 2006 Refund	239,980,000		1,350,000	238,630,000
CRC 2006 D	101,070,000		4,285,000	96,785,000
SNWA 1106	604,140,000			604,140,000
LVVWD 2008B	171,720,000		1,695,000	170,025,000
SNWA 2008		\$ 400,000,000		400,000,000
SNWA sub 2008		<u>6,900,000</u>	<u>460,000</u>	<u>6,440,000</u>
Subtotal Bonds Payable	<u>1,882,660,000</u>	<u>406,900,000</u>	<u>48,360,000</u>	<u>2,241,200,000</u>
Total Debt Before Commercial Paper	1,898,506,375	406,900,000	49,371,635	2,256,034,741
LVVWD Commercial Paper	<u>400,000,000</u>			<u>400,000,000</u>
Total Debt Before Unamortized Discounts and Premiums	<u>\$ 2,298,506,375</u>	<u>\$ 406,900,000</u>	<u>\$ 49,371,635</u>	2,656,034,741
Unamortized Discounts and Premiums				<u>60,220,242</u>
Net Debt				<u>\$ 2,716,254,983</u>

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For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

Composition of Outstanding Debt, June 30, 2009

Debt Issue	Ending Balance	Current Portion	Long-Term Portion	Accrued Interest
SNWA-1	\$ 7,810,726	\$ 589,972	\$ 7,220,754	\$ 117,486
SNWA-2	7,024,015	457,837	6,566,178	101,263
Subtotal Notes Payable	<u>14,834,741</u>	<u>1,047,809</u>	<u>13,786,932</u>	<u>218,749</u>
CRC 1997B	2,210,000	700,000	1,510,000	
SNWA 1998	21,350,000		21,350,000	133,438
CRC 1999A	635,000	635,000		12,039
SNWA 2000	4,375,000	4,375,000		
SNWA 2001	55,180,000	5,610,000	49,570,000	240,073
SNWA 2002	83,335,000	4,315,000	79,020,000	350,675
LVVWD 2003B	212,265,000	7,400,000	204,865,000	906,624
CRC 2003C	610,000	455,000	155,000	
LVVWD 2005 B	7,010,000	7,010,000		29,208
SNWA 2005 F	242,650,000	7,810,000	234,840,000	1,011,041
CRC 2005 H	31,620,000		31,620,000	
CRC 2005 I	63,940,000	1,440,000	62,500,000	897,221
SNWA 2006 Refund	238,630,000	1,405,000	237,225,000	914,708
CRC 2006 D	96,785,000	4,495,000	92,290,000	
SNWA 1106	604,140,000	6,885,000	597,255,000	4,543,027
LVVWD 2008B	170,025,000	1,760,000	168,265,000	690,169
SNWA 2008	400,000,000		400,000,000	1,666,667
SNWA sub 2008	6,440,000	460,000	5,980,000	3,140
Subtotal Bonds Payable	<u>2,241,200,000</u>	<u>54,755,000</u>	<u>2,186,445,000</u>	<u>11,398,030</u>
Total Debt Before Commercial Paper	2,256,034,741	55,802,809	2,200,231,932	11,616,779
LVVWD Commercial Paper	<u>400,000,000</u>	<u>400,000,000</u>		<u>145,955</u>
Total Debt Before Unamortized Discounts and Premiums	<u>\$ 2,656,034,741</u>	<u>\$ 455,802,809</u>	<u>\$ 2,200,231,932</u>	<u>\$ 11,762,734</u>

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SNWA total debt service requirements (including interest) to maturity are as follows:

Debt Service Requirements			
Fiscal Year Ending June 30	Principal ¹	Interest ²	Total
2011 ³	\$ 431,205,277	\$ 140,139,003	\$ 571,344,279
2012	41,604,086	138,553,955	180,158,042
2013	75,994,283	136,540,976	212,535,260
2014	81,610,919	132,579,296	214,190,215
2015	85,659,043	128,525,472	214,184,514
2016-2020	474,758,066	576,996,539	1,051,754,605
2021-2025	587,690,257	448,416,849	1,036,107,106
2026-2030	535,490,000	303,075,433	838,565,433
2031-2035	408,710,000	193,105,902	601,815,902
2036-2040	397,640,000	64,644,700	462,284,700
Totals	\$ 3,120,361,931	\$ 2,262,578,125	\$ 5,382,940,055

¹Does not include principal for SNWA 2009 Water Revenue Bond. It is currently unknown how much principal payments may be for the issue (range -- \$0 to \$137,500 annually). The total amount of this column differs \$63,020 from the amount shown in "Outstanding Debt Activity, June 30, 2010", shown previously.

²Gross interest, not reduced by anticipated BAB Federal credits.

³Because commercial paper notes have a maturity of less than 270 days, they are presented as all maturing in the current year. In reality, as they mature the interest will be paid and the principal rolled into new commercial paper notes.

NOTE 15. DEFERRED AMOUNT ON REFUNDING

As required by GASB Statement No. 23, the difference between the reacquisition price and the net carrying amount of old debt that is current or advance refunded is capitalized and amortized to interest expense over the shorter of the remaining life of the old debt or the life of the new debt. The decision to refund bonds can be made because there is an economic gain to be realized from refunding, even though there may be an increase in the amount of debt outstanding. Economic gain is determined by comparing the present value cash flow of the existing bond issue with that of the refunding bond issue. Typically, the economic gain comes from lower interest rates of the refunding bonds. Refundings can also occur as needed to provide cash flow relief.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

The balances are being amortized over the life of the associated debt. Deferred amounts on refunding as of June 30, 2010 and 2009 are as follows:

Deferred Amount of Refunding		
	June 30, 2010	June 30, 2009
CRC 2003C Bonds	\$ 53,055	\$ 79,581
CRC 2005H Bonds	(1,816,617)	(1,923,477)
CRC 2005I Bonds	(2,382,258)	(2,514,605)
CRC 2006D Refunding Bonds	(11,285,600)	(12,091,714)
CRC 2010B Bonds	(89,047)	
LVVWD 2008B Bonds	(9,644,923)	(10,247,732)
LVVWD 2009D Bonds	(1,593,610)	
SNWA 1106 Bonds	(5,650,364)	(5,947,751)
SNWA 2001 Bonds	31,805,253	33,900,260
SNWA 2005F Bonds	(8,376,478)	(8,886,534)
SNWA 2006 Refunding Bonds	(9,724,569)	(10,212,468)
SNWA 2009 Refunding Bonds	(3,409,011)	
Total	\$ (22,114,169)	\$ (17,844,440)

NOTE 16. CAPITAL CONTRIBUTIONS

Revenues received to fund new expansion are reported on the income statement as capital contributions. Capital contributions received for the fiscal years ended June 30, 2010 and 2009 were as follows:

Capital Contributions		
Type	June 30, 2010	June 30, 2009
Sales Tax	\$ 41,833,183	\$ 46,333,942
Regional Commodity Charge	18,434,662	14,483,269
Regional Connection Charge	5,309,547	26,789,155
Contributed Capital - Cash and Equivalents	4,450,118	2,655,967
Regional Reliability Charge	4,103,493	4,308,609
Purveyor Member Debt Service Billings	1,061,573	76,573
Southern Nevada Public Lands Management Act	684,294	
Total Capital Contributions	\$ 75,876,870	\$ 94,647,515

Beginning in fiscal 2010, SNWA established a Pending Regional Connection Charge Refunds account (Note 13) which adjusts actual cash collections of regional connection charges by an estimated amount of future refunds. The net effect of the total pending refund adjustment reduced total fund equity by 0.3%. See Note 1, Restatement and Reclassifications.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

NOTE 17. RISK MANAGEMENT

SNWA employs a multifaceted approach to risk management, which includes transfer, elimination, avoidance, reduction, and/or assumption of risk of loss. SNWA purchases insurance from the commercial insurance market on real and personal property, including earthquake and flood, with common policy restrictions covering direct physical loss of, or damage to, buildings, fixtures, equipment, boilers, machinery, and supplies. The blanket limit of liability under the property insurance program is \$500 million with a deductible of \$1 million for all locations except earthquake and flood which has a limit of \$50 million and \$25 million respectively and a deductible of \$100,000. This program also provides terrorism insurance for all locations with a blanket limit of \$500 million for all terrorist acts. SNWA self-insures the first \$1 million for automobile and general liability exposure and purchases excess liability insurance in the amount of \$30 million. It also purchases employee fidelity insurance in the amount of \$1 million and other miscellaneous coverages.

In contracts, SNWA obtains indemnification and hold harmless agreements. These agreements require that contractors name SNWA as an additional insured under the indemnitor's insurance coverage, usually in the amount of \$1 million to \$10 million for commercial general and automobile liability insurance. SNWA provides builders risk insurance for all construction projects with a blanket limit of \$100 million per contract, or higher as needed, with a \$50,000 deductible per claim, except earthquake and flood where the deductible is \$500,000 per claim. SNWA purchased a separate Builders Risk policy to insure the Lake Mead Intake No. 3 project during construction. The limit on this policy is \$519 million with deductibles of \$1 million for all underground works losses, \$250,000 for testing and \$100,000 for any other loss. Insurance for terrorist acts was also purchased for this project with a limit of \$519 million and a deductible of \$100,000.

For the fiscal year ended June 30, 2010, SNWA has had no significant reductions in insurance coverage from the prior fiscal year. Also, the amount of settlements and awards has not exceeded insurance coverage for each of the past five fiscal years.

GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, requires that for retained risks, a liability for claims be reported if information available prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. In addition, there are also situations in which incidents occur before the balance sheet date, but claims are not reported or asserted when the financial statements are prepared. As of June 30, 2010, SNWA has no significant retained risks and therefore has no accrued liability for retained risks.

NOTE 18. JOINT VENTURE

SNWA is a member of the Silver State Energy Association (SSEA). SSEA was established as a joint venture through an interlocal agreement among the member agencies (Members), which, in addition to SNWA, include the City of Boulder City, Lincoln Power District No. 1, Overton Power District No. 5 and the CRC.

SSEA is an association of public agencies with the common goal of jointly planning, developing, owning and operating power resources to meet their own needs and those of their customers. The economies of scale produced by the SSEA offer improved project development opportunities and power purchasing capabilities, the sharing of resources and expertise, and the opportunity for jointly managed energy needs.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2010, and the fiscal year ended June 30, 2009

As appropriate projects are selected for development, the Members involved in each project enter into a project service agreement indicating each participating Member's allocation of project costs.

The business and other affairs of the SSEA are conducted by a Board of Directors consisting of one director appointed by each Member. The appointed director may, but need not be, a member of the governing body of the Member.

Financial information regarding SSEA can be obtained by writing to:

Finance Director
P.O. Box 99956, MS 115
Las Vegas, NV 89193-9956

NOTE 19. SUBSEQUENT EVENTS

Wholesale Delivery Charge

Effective July 1, 2010, the SNWA wholesale delivery charge was increased from \$270/AF to \$283/AF. The raw water wholesale delivery charge was also increased from \$204/AF to \$220/AF. If sales volumes stay consistent with fiscal 2010, these increases will generate approximately \$5.3 million of additional annual revenue.

STATISTICAL SECTION

(UNAUDITED)

Statistical Section

This part of the comprehensive annual financial report of the Southern Nevada Water Authority (SNWA) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Page

Financial Trends Information

3-3 to 3-6

These Schedules contain information to help the reader understand how SNWA's financial performance and well being have changed over time.

Revenue Capacity Information

3-7 to 3-14

These schedules contain information to help the reader assess SNWA's most significant local revenue sources.

Debt Capacity Information

3-15 to 3-18

These schedules present information to help the reader assess the affordability of SNWA's current levels of outstanding debt and its ability to issue additional debt in the future.

Because SNWA has only seven customers (the seven purveyor members as shown in the introductory section) ratios reflecting debt to SNWA's customer base were deemed meaningless. Alternative comparisons have been made to give the reader a better feeling of SNWA's debt levels.

SNWA has no overlapping debt, nor does it have a dollar amount of debt limit.

Demographic and Economic Information

3-19 to 3-21

These schedules offer demographic and economic indicators to aid the reader in understanding the environment in which SNWA's financial activities takes place.

Operating Information

3-22 to 3-24

These schedules contain service and infrastructure data to help the reader understand how the information in the SNWA's financial report relates to the services SNWA provides and the activities it performs.

Other Information

3-25 to 3-41

These schedules contain debt history and individual amortization schedules to help the reader understand SNWA's debt position both historically and in the future.

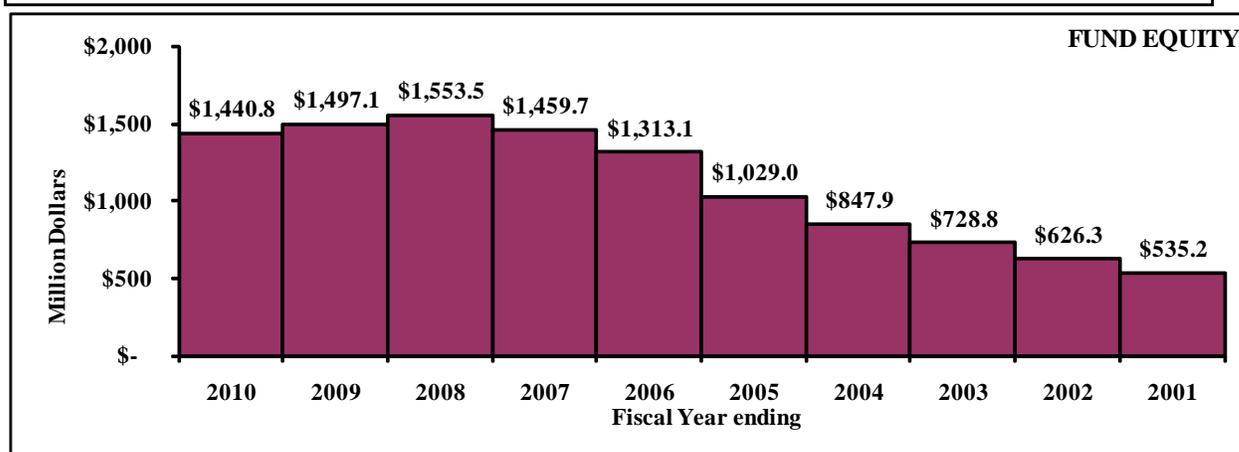
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Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Fund Equity
Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Invested In Capital Assets, Net of Related Debt	\$ 995,640,636	\$ 975,182,739	\$ 1,061,241,237	\$ 885,878,890	\$ 727,217,380
Restricted	16,866,340	15,178,151	102,040,416	50,122,513	23,331,858
Unrestricted ^{1/}	428,303,890	506,721,538	390,234,073	523,682,549	562,531,407
Total Fund Equity	\$ 1,440,810,866	\$ 1,497,082,428	\$ 1,553,515,726	\$ 1,459,683,952	\$ 1,313,080,645

	Fiscal Year Ended June 30				
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Invested In Capital Assets, Net of Related Debt	\$ 581,716,167	\$ 533,907,856	\$ 373,510,820	\$ 344,153,745	\$ -
Restricted	52,240,725	16,083,037	220,160,501	55,086,956	
Unrestricted ^{1/}	395,053,871	297,863,688	135,104,438	227,025,481	
Net Contributed Capital ^{2/}					288,723,220
Retained Earnings ^{2/}					246,466,020
Total Fund Equity	\$ 1,029,010,763	\$ 847,854,581	\$ 728,775,759	\$ 626,266,182	\$ 535,189,240

1/ Amounts after 2007 modified with a pending regional connection charge contingency.
2/ Reflects equity format required prior to adoption of GASB Statement No. 34.



Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Changes in Fund Equity
Last Ten Fiscal Years

Page 1 of 3

	Fiscal Year Ended June 30		
	2010	2009	2008
Operating Revenues			
Wholesale Delivery Charges	\$ 110,097,368	\$ 112,551,974	\$ 118,782,982
Groundwater Program Revenue	872,104	2,047,626	1,976,911
Purveyor Administration Costs Billings	342,820	379,306	367,710
Las Vegas Wash Revenues	698,274	690,000	1,196,028
Other Revenues	2,563,872	2,648,858	2,010,404
Total Operating Revenues	114,574,438	118,317,764	124,334,035
Operating Expenses			
Personnel and Related	(37,948,022)	(39,671,513)	(37,430,481)
Electric Power	(39,656,635)	(40,184,442)	(35,233,331)
Other	(37,293,827)	(73,498,943)	(63,839,825)
Depreciation	(69,499,630)	(61,143,048)	(57,234,105)
Total Operating Expenses	(184,398,114)	(214,497,946)	(193,737,742)
Operating Loss	(69,823,676)	(96,180,181)	(69,403,707)
Non Operating Revenues and (Expenses)			
Investment Income	1,374,146	10,709,321	24,494,593
Credit Payment Income	6,442,781		
Interest Expense	(67,231,511)	(64,366,759)	(65,800,690)
Amortization of Refunding Costs	(969,032)	(1,118,050)	(1,286,877)
Amortization of Bond Issue Costs, Premiums and Discounts	(1,936,089)	628,592	944,276
Gain/(Loss) on Sale of Assets	(5,051)	(753,735)	5,200
Total Non-Operating Revenues (Expenses)	(62,324,756)	(54,900,631)	(41,643,499)
Loss Before Capital Contributions	(132,148,432)	(151,080,813)	(111,047,206)
Capital Contributions ^{1/}	75,876,870	94,647,515	204,878,979
Change in Fund Equity	(56,271,562)	(56,433,298)	93,831,774
Fund Equity - Beginning of Year ^{1/}	1,497,082,428	1,553,515,726	1,459,683,952
Fund Equity - End of Year	\$ 1,440,810,866	\$ 1,497,082,428	\$ 1,553,515,726

continued on next page

1/ Amounts after 2007 modified with a pending regional connection charge contingency.

Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Changes in Fund Equity
Last Ten Fiscal Years (continued)

Page 2 of 3

	Fiscal Year Ended June 30		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
Operating Revenues			
Wholesale Delivery Charges	\$ 121,449,812	\$ 115,532,042	\$ 100,460,557
Groundwater Program Revenue	1,953,768	1,952,143	2,039,010
Purveyor Administration Costs Billings	359,042	351,527	361,958
Las Vegas Wash Revenues	842,700	1,074,374	1,071,600
Other Revenues	1,586,346		
Total Operating Revenues	126,191,668	118,910,086	103,933,125
Operating Expenses			
Personnel and Related	(33,754,022)	(32,131,870)	(29,082,767)
Electric Power	(47,268,452)	(56,584,777)	(54,461,787)
Other	(43,170,486)	(38,966,643)	(51,321,569)
Depreciation	(53,032,871)	(50,389,946)	(48,259,934)
Total Operating Expenses	(177,225,831)	(178,073,236)	(183,126,057)
Operating Loss	(51,034,163)	(59,163,150)	(79,192,932)
Non Operating Revenues and (Expenses)			
Investment Income	29,484,713	13,370,675	13,887,489
Credit Payment Income			
Interest Expense	(70,962,485)	(66,031,609)	(64,248,754)
Amortization of Refunding Costs	(1,467,458)	(978,821)	(186,214)
Amortization of Bond Issue Costs, Premiums and Discounts	540,036	(25,329)	(655,616)
Gain/(Loss) on Sale of Assets	835,062	491,492	1,136
Total Non-Operating Revenues (Expenses)	(41,570,132)	(53,173,592)	(51,201,959)
Loss Before Capital Contributions	(92,604,295)	(112,336,742)	(130,394,891)
Capital Contributions ^{1/}	239,207,602	396,406,624	311,551,073
Change in Fund Equity	146,603,307	284,069,882	181,156,182
Fund Equity - Beginning of Year ^{1/}	1,313,080,645	1,029,010,763	847,854,581
Fund Equity - End of Year	\$ 1,459,683,952	\$ 1,313,080,645	\$ 1,029,010,763

continued on next page

1/ Amounts after 2007 modified with a pending regional connection charge contingency.

Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Changes in Fund Equity
Last Ten Fiscal Years (continued)

Page 3 of 3

	Fiscal Year Ended June 30			
	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Operating Revenues				
Wholesale Delivery Charges	\$ 97,162,446	\$ 87,774,387	\$ 86,276,227	\$ 67,593,430
Groundwater Program Revenue	2,114,246	2,037,737	2,050,476	1,506,831
Purveyor Administration Costs Billings	321,253	363,637	383,704	279,511
Las Vegas Wash Revenues	1,037,400	966,000	753,000	
Other Revenues				
Total Operating Revenues	100,635,345	91,141,761	89,463,407	69,379,772
Operating Expenses				
Personnel and Related	(26,536,039)	(23,782,689)	(21,027,884)	(16,410,991)
Electric Power	(55,632,005)	(60,862,783)	(49,116,179)	(21,791,314)
Other	(42,265,915)	(26,372,829)	(20,485,918)	(15,616,619)
Depreciation	(38,380,146)	(28,554,840)	(26,452,890)	(21,487,976)
Total Operating Expenses	(162,814,105)	(139,573,141)	(117,082,871)	(75,306,900)
Operating Loss	(62,178,760)	(48,431,380)	(27,619,464)	(5,927,128)
Non Operating Revenues and (Expenses)				
Investment Income	408,524	7,603,793	13,212,069	13,210,215
Credit Payment Income				
Interest Expense	(61,335,059)	(44,454,798)	(40,136,450)	(38,381,314)
Amortization of Refunding Costs	(21,056)	(151,046)	(151,046)	(1,752,102)
Amortization of Bond Issue Costs, Premiums and Discounts	(847,092)	(999,820)	(1,775,391)	(1,569,464)
Gain/(Loss) on Sale of Assets	2,363	2,804	39,216	6,158
Total Non-Operating Revenues (Expenses)	(61,792,320)	(37,999,067)	(28,811,602)	(28,486,507)
Loss Before Capital Contributions	(123,971,080)	(86,430,447)	(56,431,066)	(34,413,635)
Capital Contributions ^{1/}	243,049,902	188,940,024	147,508,009	160,163,126
Change in Fund Equity	119,078,822	102,509,577	91,076,943	125,749,491
Fund Equity - Beginning of Year ^{1/}	728,775,759	626,266,182	535,189,240	409,439,749
Fund Equity - End of Year	\$ 847,854,581	\$ 728,775,759	\$ 626,266,183	\$ 535,189,240

1/ Amounts after 2007 modified with a pending regional connection charge contingency.

Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Regional Connection Charges ^{1/}
Revenue Base / Principal Revenue Payers
Last Ten Fiscal Years

Page 1 of 2

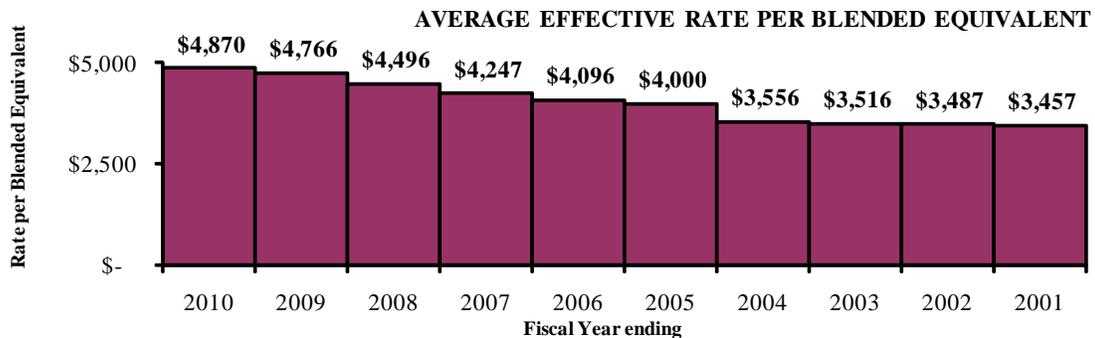
	Fiscal Year Ended June 30			
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Las Vegas Valley Water District	\$ (581,358)	\$ 17,943,571	\$ 40,672,561	\$ 83,294,414
City of Henderson	2,008,270	4,855,790	11,184,662	22,396,474
City of North Las Vegas	2,117,669	4,607,510	9,655,650	15,668,200
Total Connection Charge Collections	\$ 3,544,581	\$ 27,406,871	\$ 61,512,873	\$ 121,359,088
Less net adjustment to Pending Regional Connection Charge Refund ^{2/}	1,764,966	(617,716)	(5,992,649)	
Adjusted Connection Charge Collections	\$ 5,309,547	\$ 26,789,155	\$ 55,520,224	\$ 121,359,088
Average Effective Rate per Blended Equivalent ^{3/}	\$ 4,870	\$ 4,766	\$ 4,496	\$ 4,247

Continued on next page

1/ Connection charges are a component of Capital Contributions as displayed on the Statements of Revenues, Expenses, and Changes in Fund Equity. See Notes 1 and 15 to the Basic Financial Statements.

2/ Beginning in fiscal 2008 annual net cash collections of connection charges were modified with by a loss contingency. The adjusted amount corresponds with the capital contributions section of the financial statements (Note 15).

3/ Connection charges are mainly set based on a "blended equivalent" which represents the equivalency of a 5/8" and 3/4" service size as defined by the American Water Works Association, weighted based on the population of such meters in service throughout the Southern Nevada Water Authority service area. Effective rate is based on rate charged to end customer and does not include pending regional connection charge refund alteration.



Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Regional Connection Charges ^{1/}
Revenue Base / Principal Revenue Payers
Last Ten Fiscal Years

Page 2 of 2

	Fiscal Year Ended June 30		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Las Vegas Valley Water District	\$ 133,408,930	\$ 102,009,777	\$ 95,990,657
City of Henderson	26,548,685	31,316,388	23,469,506
City of North Las Vegas	28,496,396	44,167,000	34,533,890
Total Connection Charge Collections	\$ 188,454,011	\$ 177,493,165	\$ 153,994,053
Average Effective Rate per			
Blended Equivalent ^{3/}	\$ 4,096	\$ 4,000	\$ 3,556

	Fiscal Year Ended June 30		
	<u>2003</u>	<u>2002</u>	<u>2001</u>
Las Vegas Valley Water District	\$ 77,608,024	\$ 66,715,946	\$ 64,709,064
City of Henderson	15,200,051	15,748,870	17,437,562
City of North Las Vegas	25,729,296	12,661,623	15,736,247
Total Connection Charge Collections	\$ 118,537,371	\$ 95,126,439	\$ 97,882,873
Average Effective Rate per			
Blended Equivalent ^{3/}	\$ 3,516	\$ 3,487	\$ 3,457

1/ Connection charges are a component of Capital Contributions as displayed on the Statements of Revenues, Expenses, and Changes in Fund Equity. See Notes 1 and 15 to the Basic Financial Statements.

2/ Beginning in fiscal 2008 annual net cash collections of connection charges were modified with by a loss contingency. The adjusted amount corresponds with the capital contributions section of the financial statements (Note 15).

3/ Connection charges are mainly set based on a "blended equivalent" which represents the equivalency of a 5/8" and 3/4" service size as defined by the American Water Works Association, weighted based on the population of such meters in service throughout the Southern Nevada Water Authority service area. Effective rate is based on rate charged to end customer and does not include pending regional connection charge refund alteration.

**Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Regional Connection Charges
Revenue Rates
Last Ten Fiscal Years**

Page 1 of 4

		Fiscal year ended June 30,					
		2010	2009		2008		
		July 09 to <u>Jun 10</u>	Nov 08 to <u>Jun 09</u>	Jul 08 to <u>Oct 08</u>	May 08 to <u>Jun 08</u>	Nov 07 to <u>Apr 08</u>	Jul 07 to <u>Oct 07</u>
Residential - 8 or fewer units per acre							
	5/8"	\$ 4,870	\$ 4,870	\$ 4,710	\$ 4,710	\$ 4,560	\$ 4,410
	3/4"	4,870	4,870	4,710	4,710	4,560	4,410
	1"	9,610	9,610	9,300	9,300	9,000	8,710
	1 1/2"	19,170	19,170	18,560	18,560	17,970	17,400
	2"	30,680	30,680	29,700	29,700	28,750	27,830
Residential - more than 8 units per acre Per Dwelling Unit							
	Individually Metered	\$ 3,400	\$ 3,400	\$ 3,210	\$ 3,210	\$ 3,030	\$ 2,860
	Master Metered	3,400	3,400	3,210	3,210	3,030	2,860
Non Residential excluding hotels, motels, golf courses and laundries							
	5/8"	\$ 4,870	\$ 4,870	\$ 4,710	\$ 4,710	\$ 4,560	\$ 4,410
	3/4"	4,870	4,870	4,710	4,710	4,560	4,410
	1"	9,610	9,610	9,300	9,300	9,000	8,710
	1 1/2"	19,170	19,170	18,560	18,560	17,970	17,400
	2"	64,260	64,260	60,060	60,060	56,130	52,460
	3"	237,900	237,900	216,610	216,610	197,220	179,570
	4"	353,100	353,100	326,310	326,310	301,550	278,670
	6" and larger, per thousand gallons estimated annual use	\$ 29.20	\$ 29.20	\$ 26.50	\$ 26.50	\$ 24.00	\$ 21.80
Hotels / Motels							
	Per Room	\$ 2,780	\$ 2,780	\$ 2,690	\$ 2,690	\$ 2,600	\$ 2,520
Golf Courses							
	Per Irrigated Acre	\$ 45,640	\$ 45,640	\$ 43,870	\$ 43,870	\$ 42,170	\$ 40,530
RV Parks							
	Per Space	\$ 1,380	\$ 1,380	\$ 1,340	\$ 1,340	\$ 1,300	\$ 1,260
Industrial Laundries							
	5/8"	\$ 76,800	\$ 76,800	\$ 74,350	\$ 74,350	\$ 71,970	\$ 69,670
	3/4"	76,800	76,800	74,350	74,350	71,970	69,670
	1"	151,460	151,460	146,620	146,620	141,940	137,410
	1 1/2"	302,950	302,950	293,270	293,270	283,900	274,830
	2"	484,700	484,700	469,220	469,220	454,230	439,720
	3"	969,400	969,400	938,430	938,430	908,450	879,430
	4"	1,514,690	1,514,690	1,466,300	1,466,300	1,419,460	1,374,110
	6"	3,029,360	3,029,360	2,932,580	2,932,580	2,838,900	2,748,210
	8"	4,846,980	4,846,980	4,692,140	4,692,140	4,542,250	4,397,140
	10"	6,967,540	6,967,540	6,744,960	6,744,960	6,529,490	6,320,900

Continued on next page

Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Regional Connection Charges (Continued)
Revenue Rates
Last Ten Fiscal Years

Page 2 of 4

		Fiscal year ended June 30,					
		2007			2006		
		May 07 to <u>Jun 07</u>	Nov 06 to <u>Apr 07</u>	Jul 06 to <u>Oct 06</u>	May 06 to <u>Jun 06</u>	Nov 05 to <u>Apr 06</u>	Jul 05 to <u>Oct 05</u>
Residential - 8 or fewer units per acre							
	5/8"	\$ 4,410	\$ 4,270	\$ 4,130	\$ 4,130	\$ 4,000	\$ 3,560
	3/4"	4,410	4,270	4,130	4,130	4,000	3,560
	1"	8,710	8,430	8,160	8,160	7,900	7,030
	1 1/2"	17,400	16,840	16,300	16,300	15,780	14,040
	2"	27,830	26,940	26,080	26,080	25,250	22,470
Residential - more than 8 units per acre Per Dwelling Unit							
	Individually Metered	\$ 2,860	\$ 2,700	\$ 2,550	\$ 2,550	\$ 2,400	\$ 2,136
	Master Metered	2,860	2,700	2,550	2,550	2,400	2,136
Non Residential excluding hotels, motels, golf courses and laundries							
	5/8"	\$ 4,410	\$ 4,270	\$ 4,130	\$ 4,130	\$ 4,000	\$ 3,560
	3/4"	4,410	4,270	4,130	4,130	4,000	3,560
	1"	8,710	8,430	8,160	8,160	7,900	7,030
	1 1/2"	17,400	16,840	16,300	16,300	15,780	14,040
	2"	52,460	49,030	45,820	45,820	42,820	38,110
	3"	179,570	163,500	148,780	148,780	135,550	120,640
	4"	278,670	257,530	237,990	237,990	219,930	195,740
	6" and larger, per thousand gallons estimated annual use	\$ 21.80	\$ 19.80	\$ 18.00	\$ 18.00	\$ 16.30	\$ 14.48
Hotels / Motels							
	Per Room	\$ 2,520	\$ 2,440	\$ 2,360	\$ 2,360	\$ 2,280	\$ 2,029
Golf Courses							
	Per Irrigated Acre	\$ 40,530	\$ 38,960	\$ 37,450	\$ 37,450	\$ 36,000	\$ 32,040
RV Parks							
	Per Space	\$ 1,260	\$ 1,220	\$ 1,180	\$ 1,180	\$ 1,140	\$ 1,015
Industrial Laundries							
	5/8"	\$ 69,670	\$ 67,440	\$ 65,290	\$ 65,290	\$ 63,200	\$ 56,250
	3/4"	69,670	67,440	65,290	65,290	63,200	56,250
	1"	137,410	133,020	128,770	128,770	124,660	110,950
	1 1/2"	274,830	266,050	257,550	257,550	249,320	221,890
	2"	439,720	425,670	412,070	412,070	398,910	355,030
	3"	879,430	851,340	824,140	824,140	797,810	710,050
	4"	1,374,110	1,330,210	1,287,720	1,287,720	1,246,580	1,109,450
	6"	2,748,210	2,660,420	2,575,430	2,575,430	2,493,160	2,218,900
	8"	4,397,140	4,256,670	4,120,690	4,120,690	3,989,050	3,550,240
	10"	6,320,900	6,118,970	5,923,490	5,923,490	5,734,260	5,103,470

Continued on next page

**Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Regional Connection Charges (Continued)
Revenue Rates
Last Ten Fiscal Years**

Page 3 of 4

		Fiscal year ended June 30,				
		2005	2004		2003	
		Jul 04 to <u>Jun 05</u>	Feb 04 to <u>Jun 04</u>	Jul 03 to <u>Jan 04</u>	Feb 03 to <u>Jun 03</u>	Jul 02 to <u>Jan 03</u>
Residential - 8 or fewer units per acre						
	5/8"	\$ 3,560	\$ 3,560	\$ 3,520	\$ 3,520	\$ 3,490
	3/4"	3,560	3,560	3,520	3,520	3,490
	1"	7,030	7,030	6,960	6,960	6,890
	1 1/2"	14,040	14,040	13,900	13,900	13,760
	2"	22,470	22,470	22,250	22,250	22,030
Residential - more than 8 units per acre						
Per Dwelling Unit						
	Individually Metered	\$ 2,136	\$ 2,136	\$ 2,112	\$ 2,112	\$ 2,094
	Master Metered	2,136	2,136	1,924	1,924	1,712
Non Residential excluding hotels, motels, golf courses and laundries						
	5/8"	\$ 3,560	\$ 3,560	\$ 3,520	\$ 3,520	\$ 3,490
	3/4"	3,560	3,560	3,520	3,520	3,490
	1"	7,030	7,030	6,960	6,960	6,890
	1 1/2"	14,040	14,040	13,900	13,900	13,760
	2"	38,110	38,110	34,760	34,760	31,420
	3"	120,640	120,640	105,070	105,070	89,490
	4"	195,740	195,740	169,960	169,960	144,170
	6" and larger, per thousand gallons estimated annual use	\$ 14.48	\$ 14.48	\$ 12.22	\$ 12.22	\$ 9.96
Hotels / Motels						
	Per Room	\$ 2,029	\$ 2,029	\$ 1,671	\$ 1,671	\$ 1,313
Golf Courses						
	Per Irrigated Acre	\$ 32,040	\$ 32,040	\$ 25,886	\$ 25,886	\$ 19,732
RV Parks						
	Per Space	\$ 1,015	\$ 1,015	\$ 836	\$ 836	\$ 657
Industrial Laundries						
	5/8"	\$ 56,250	\$ 56,250	\$ 45,680	\$ 45,680	\$ 35,110
	3/4"	56,250	56,250	45,680	45,680	35,110
	1"	110,950	110,950	90,100	90,100	69,240
	1 1/2"	221,890	221,890	180,190	180,190	138,480
	2"	355,030	355,030	288,300	288,300	221,570
	3"	710,050	710,050	576,590	576,590	443,140
	4"	1,109,450	1,109,450	900,920	900,920	692,400
	6"	2,218,900	2,218,900	1,801,850	1,801,850	1,384,800
	8"	3,550,240	3,550,240	2,882,960	2,882,960	2,215,680
	10"	5,103,470	5,103,470	4,144,250	4,144,250	3,185,040

Continued on next page

**Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Regional Connection Charges (Continued)
Revenue Rates
Last Ten Fiscal Years**

Page 4 of 4

		Fiscal year ended June 30,			
		2002		2001	
		Feb 02 to <u>Jun 02</u>	Jul 01 to <u>Jan 02</u>	Feb 01 to <u>Jun 01</u>	Jul 00 to <u>Jan 01</u>
Residential - 8 or fewer units per acre					
5/8"	\$	3,490	\$ 3,460	\$ 3,460	\$ 3,430
3/4"		3,490	3,460	3,460	3,430
1"		6,890	6,820	6,820	6,750
1 1/2"		13,760	13,620	13,620	13,490
2"		22,030	21,810	21,810	21,590
Residential - more than 8 units per acre					
Per Dwelling Unit					
Individually Metered	\$	2,094	\$ 2,076	\$ 2,076	\$ 2,058
Master Metered		1,712	1,500	1,500	1,288
Non Residential excluding hotels, motels, golf courses and laundries					
5/8"	\$	3,490	\$ 3,460	\$ 3,460	\$ 3,430
3/4"		3,490	3,460	3,460	3,430
1"		6,890	6,820	6,820	6,750
1 1/2"		13,760	13,620	13,620	13,490
2"		31,420	28,070	28,070	24,730
3"		89,490	73,920	73,920	58,340
4"		144,170	118,390	118,390	92,600
6" and larger, per thousand gallons estimated annual use	\$	9.96	\$ 7.71	\$ 7.71	\$ 5.45
Hotels / Motels					
Per Room	\$	1,313	\$ 954	\$ 954	\$ 596
Golf Courses					
Per Irrigated Acre	\$	19,732	\$ 13,577	\$ 13,577	\$ 7,423
RV Parks					
Per Space	\$	657	\$ 477	\$ 477	\$ 298
Industrial Laundries					
5/8"	\$	35,110	\$ 24,540	\$ 24,540	\$ 13,970
3/4"		35,110	24,540	24,540	13,970
1"		69,240	48,390	48,390	27,540
1 1/2"		138,480	96,780	96,780	55,080
2"		221,570	154,840	154,840	88,120
3"		443,140	309,680	309,680	176,230
4"		692,400	483,870	483,870	275,350
6"		1,384,800	967,750	967,750	550,700
8"		2,215,680	1,548,400	1,548,400	881,120
10"		3,185,040	2,225,820	2,225,820	1,266,610

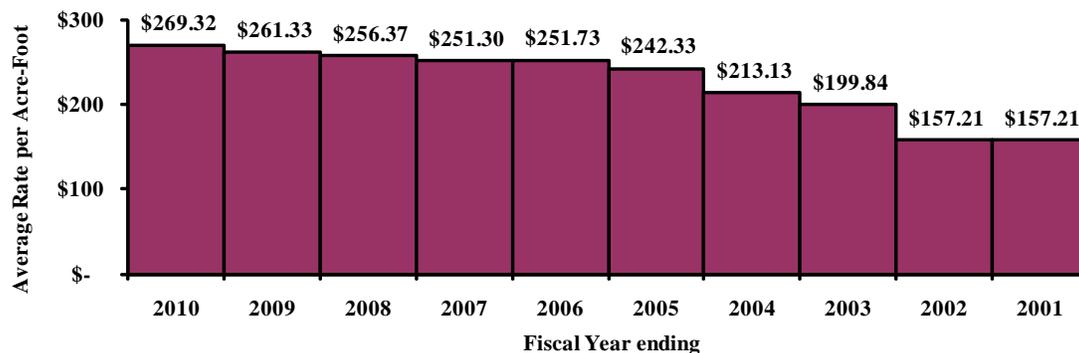
Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Wholesale Delivery Charge
Revenue Base / Principal Revenue Payers
Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Las Vegas Valley Water District	\$ 76,424,086	\$ 79,085,752	\$ 84,407,754	\$ 86,738,398	\$ 82,658,798
City of Henderson	17,034,887	16,928,183	17,192,550	17,574,018	16,745,595
City of North Las Vegas	13,581,423	13,442,152	13,874,638	13,969,835	13,147,489
City of Boulder City	2,706,123	2,675,996	2,727,909	2,621,610	2,540,316
Nellis Air Force Base	350,850	419,890	580,131	545,951	439,844
Total Wholesale Delivery Charge Collections	\$ 110,097,368	\$ 112,551,974	\$ 118,782,982	\$ 121,449,812	\$ 115,532,042
Average Effective Rate per Acre-Foot	\$ 269.32	\$ 261.33	\$ 256.37	\$ 251.30	\$ 251.73

	Fiscal Year Ended June 30				
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Las Vegas Valley Water District	\$ 72,173,474	\$ 71,241,372	\$ 62,889,394	\$ 50,742,972	\$ 50,742,972
City of Henderson	15,143,461	13,484,000	13,301,307	8,885,895	8,885,895
City of North Las Vegas	10,472,255	9,713,658	8,615,827	6,091,398	6,091,398
City of Boulder City	2,282,861	2,374,060	2,513,776	1,609,379	1,609,379
Nellis Air Force Base	388,506	349,356	454,083	263,785	263,785
Total Wholesale Delivery Charge Collections	\$ 100,460,557	\$ 97,162,446	\$ 87,774,387	\$ 67,593,430	\$ 67,593,430
Average Effective Rate per Acre-Foot	\$ 242.33	\$ 213.13	\$ 199.84	\$ 157.21	\$ 157.21

May be off slightly due to rounding

AVERAGE EFFECTIVE RATE PER ACRE FOOT



**Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Wholesale Delivery Charge for Potable Water
Revenue Rates
Last Ten Fiscal Years**

	Fiscal Year Ended June 30				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Charge per					
Acre-Foot*	\$ 270.00	\$ 262.00	\$ 257.00	\$ 252.00	\$ 252.00

	Fiscal Year Ended June 30				
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Charge per					
Acre-Foot*	\$ 243.00	\$ 215.00	\$ 200.00	\$ 200.00	\$ 157.00

* City of Boulder City pays a slightly lower wholesale delivery charge for non potable water. Nellis Air Force Base pays a modified wholesale delivery charge plus a portion of debt service. Revenues from both these charges account for less than 1% of total wholesale delivery charge.

Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Ratio of Outstanding Debt by Type⁽¹⁾
Last Ten Fiscal Years

In Million Dollars

Fiscal Year Ended June 30	General Obligation <u>Bonds</u>	Notes Payable/ Repayment <u>Contracts</u>	Commercial <u>Paper</u>	Less: Assets Restricted for <u>Principal Repayment</u>	Total <u>Debt⁽²⁾</u>
2010	\$2,706.6	\$13.8	\$400.0	-\$85.8	\$3,034.7
2009	2,234.8	21.3	400.0	-87.7	2,568.3
2008	1,882.7	15.8	400.0	-85.7	2,212.8
2007	1,940.6	16.8	400.0	-87.1	2,270.3
2006	1,582.3	17.8	400.0	-82.7	1,917.4
2005	1,614.8	18.7	300.0	-70.1	1,863.4
2004	1,653.9	19.6	140.0	-42.8	1,770.7
2003	1,685.2	20.4	0.0	-17.9	1,687.7
2002	1,250.5	21.2	250.0	-15.2	1,506.5
2001	1,264.1	184.1	250.0	-16.8	1,681.4

Fiscal Year Ended June 30	Total Debt as Percent of Annual <u>Applied Revenues⁽³⁾</u>	Annual Debt Service as Percent of Annual <u>Applied Revenues⁽⁴⁾</u>	Debt as a Percent of <u>Personal Income⁽⁵⁾</u>	Debt per Capita <u>In Dollars⁽⁶⁾</u>
2010	1688.0%	90.6%	3.7%	\$1,488
2009	1256.1%	83.0%	3.2%	1,280
2008	898.1%	62.4%	2.9%	1,114
2007	716.9%	45.6%	3.1%	1,137
2006	514.9%	37.8%	2.8%	1,003
2005	551.3%	37.1%	2.9%	1,026
2004	581.9%	39.3%	3.4%	1,014
2003	666.1%	35.1%	3.5%	1,028
2002	666.7%	40.9%	3.3%	955
2001	752.4%	32.8%	3.9%	1,122

(1) Details of the Southern Nevada Water Authority's (SNWA) outstanding debt can be found in the Note 13 to the Basic Financial Statements and in the Other Information section of the Statistical Section. As described in the notes, SNWA has only seven customers, making per-customer ratios meaningless. Therefore alternate ratios have been used.

(2) All SNWA bond and note debt is general obligation debt, additionally secured by pledged revenues. Please see "Pledged Revenue Coverage" immediately following this schedule.

(3) Total debt divided by total applied revenues. Applied revenues are revenues which are used to pay debt service. These revenues consist of wholesale delivery charge, regional connection charge, regional commodity charge and regional reliability surcharge. Regional connection charges are adjusted by a refund contingency for fiscal year 2010. Additionally sales tax is included beginning in November 2006. Prior to this date, sales tax was used exclusively for pay-as-you-go construction.

(4) Total annual debt service (principal and interest) divided into total applied revenues as defined in (3).

(5) Total debt divided by total Clark County personal income. Please see page 3-19 for personal income data.

(6) Total debt divided by total Clark County per capita income. Please see page 3-19 for population data.

Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Pledged Revenue Coverage
Last Ten Fiscal Years

Page 1 of 3

	Fiscal Year Ended June 30,		
	2010	2009	2008
Operating Revenues			
Wholesale Delivery Charges	\$ 110,097,368	\$ 112,551,974	\$ 118,782,982
Groundwater Program Fees	872,104	2,047,626	1,976,911
Purveyor Admin Costs Billing	342,820	379,306	367,710
Las Vegas Wash Revenues	698,274	690,000	1,196,028
Other Revenues	2,563,872	2,648,858	2,010,404
Total Operating Revenues	114,574,438	118,317,764	124,334,035
Operating Expenses			
Personnel and Related	(37,948,022)	(39,671,513)	(37,430,481)
Electric Power	(39,656,635)	(40,184,442)	(35,233,331)
Other	(37,293,827)	(73,498,943)	(63,839,825)
Depreciation	(69,499,630)	(61,143,048)	(57,234,105)
Total Operating Expenses	(184,398,114)	(214,497,946)	(193,737,742)
Operating Loss	(69,823,676)	(96,180,182)	(69,403,707)
Nonoperating Revenues			
Investment Earnings (including interest reclassified to Construction Work-In-Progress)	1,324,866	13,607,423	30,676,718
Debt Service Billings	76,573	76,573	76,573
Regional Connection Charge ^{1/}	5,309,547	26,789,155	55,520,224
Regional Water Charges	22,538,155	18,791,878	18,777,117
Southern Nevada Public Lands Management Act	684,294	-	3,388,500
Raw Water Facilities Charge			
Clark County Sales Tax	41,833,183	46,333,942	53,315,770
Total Non Operating Revenue	71,766,618	105,598,971	161,754,902
Net Operating & Nonoperating Revenues	1,942,942	9,418,789	92,351,195
Add back Depreciation	69,499,630	61,143,048	57,234,105
Add Beginning Unrestricted Funds ^{2/}	366,951,904	438,885,842	335,975,548
Net available for debt service	\$ 438,394,476	\$ 509,447,679	\$ 485,560,848
Annual Debt Service	\$ 162,911,866	\$ 169,717,981	\$ 153,769,711
Debt Service Coverage Ratio	2.69	3.00	3.16

Continued on next page

1/ Prior to fiscal 2008, connection charges reflected the net cash received from this revenue source. Amounts for years after fiscal 2007 have been modified with a refund contingency.

2/ Bond covenants specify that beginning unrestricted funds should be used in the calculation of debt coverage.

Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Pledged Revenue Coverage (Continued)
Last Ten Fiscal Years

Page 2 of 3

	Fiscal Year Ended June 30,		
	2007	2006	2005
Operating Revenues			
Wholesale Delivery Charges	\$ 121,449,812	\$ 115,532,042	\$ 100,460,557
Groundwater Program Fees	1,953,768	1,952,143	2,039,010
Purveyor Admin Costs Billing	359,042	351,527	361,958
Las Vegas Wash Revenues	842,700	1,074,374	1,071,600
Other Revenues	1,586,346		
Total Operating Revenues	<u>126,191,668</u>	<u>118,910,086</u>	<u>103,933,125</u>
Operating Expenses			
Personnel and Related	(33,754,022)	(32,131,870)	(29,082,767)
Electric Power	(47,268,452)	(56,584,777)	(54,461,787)
Other	(43,170,486)	(38,966,643)	(51,321,569)
Depreciation	(53,032,871)	(50,389,946)	(48,259,934)
Total Operating Expenses	<u>(177,225,831)</u>	<u>(178,073,236)</u>	<u>(183,126,057)</u>
Operating Loss	<u>(51,034,163)</u>	<u>(59,163,150)</u>	<u>(79,192,932)</u>
Nonoperating Revenues			
Investment Earnings (including interest reclassified to Construction Work-In-Progress)	41,088,297	13,474,740	19,548,835
Debt Service Billings	76,573	76,573	76,573
Regional Connection Charge ^{1/}	121,359,088	188,454,011	177,493,765
Regional Water Charges	18,829,058	14,213,843	10,101,548
Southern Nevada Public Lands Management Act	3,708,440	135,441,776	68,933,594
Raw Water Facilities Charge	35,864,100	1,465,965	-
Clark County Sales Tax	55,060,027	54,158,795	49,945,593
Total Non Operating Revenue	<u>275,985,583</u>	<u>407,285,703</u>	<u>326,099,908</u>
Net Operating & Nonoperating Revenues	224,951,420	348,122,553	246,906,976
Add back Depreciation	53,032,871	50,389,946	48,259,934
Add Beginning Unrestricted Funds ^{2/}	470,805,706	490,946,146	408,083,814
Net available for debt service	<u>\$ 748,789,997</u>	<u>\$ 889,458,645</u>	<u>\$ 703,250,724</u>
Annual Debt Service	\$ 144,484,915	\$ 140,855,868	\$ 125,502,473

Debt Service Coverage Ratio	5.18	6.31	5.60
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Continued on next page

1/ Prior to fiscal 2008, connection charges reflected the net cash received from this revenue source. Amounts for years after fiscal 2007 have been modified with a refund contingency.

2/ Bond covenants specify that beginning unrestricted funds should be used in the calculation of debt coverage.

Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Pledged Revenue Coverage (Continued)
Last Ten Fiscal Years

Page 3 of 3

	Fiscal Year Ended June 30,			
	2004	2003	2002	2001
Operating Revenues				
Wholesale Delivery Charges	\$ 97,162,446	\$ 87,774,387	\$ 86,276,227	\$ 67,593,430
Groundwater Program Fees	2,114,246	2,037,737	2,050,476	1,506,831
Purveyor Admin Costs Billing	321,253	363,637	383,704	279,511
Las Vegas Wash Revenues	1,037,400	966,000	753,000	
Other Revenues				
Total Operating Revenues	<u>100,635,345</u>	<u>91,141,761</u>	<u>89,463,407</u>	<u>69,379,772</u>
Operating Expenses				
Personnel and Related	(26,536,039)	(23,782,689)	(21,027,884)	(16,410,991)
Electric Power	(55,632,005)	(60,862,783)	(49,116,179)	(21,791,314)
Other	(42,265,915)	(26,372,829)	(20,485,918)	(15,616,619)
Depreciation	(38,380,146)	(28,554,840)	(26,452,890)	(21,487,976)
Total Operating Expenses	<u>(162,814,105)</u>	<u>(139,573,141)</u>	<u>(117,082,871)</u>	<u>(75,306,900)</u>
Operating (Loss)/Income	<u>(62,178,760)</u>	<u>(48,431,380)</u>	<u>(27,619,464)</u>	<u>(5,927,128)</u>
Nonoperating Revenues				
Investment Earnings (including interest reclassified to Construction Work-In-Progress)	9,613,713	8,861,989	15,169,429	17,694,243
Debt Service Billings	76,573	76,573	76,573	76,573
Regional Connection Charge ^{1/}	154,146,853	118,537,370	95,126,439	97,882,873
Regional Water Charges	10,139,199	10,152,104	10,242,954	9,728,536
Southern Nevada Public Lands Management Act	34,465,520	21,731,600	7,742,511	4,209,667
Raw Water Facilities Charge	1,386,755	1,542,875		
Clark County Sales Tax	42,835,002	36,899,502	34,319,533	48,265,477
Total Non Operating Revenue	<u>252,663,615</u>	<u>197,802,013</u>	<u>162,677,439</u>	<u>177,857,369</u>
Net Operating & Nonoperating Revenues	190,484,855	149,370,633	135,057,975	171,930,241
Add back Depreciation	38,380,146	28,554,840	26,452,890	21,487,976
Add Beginning Unrestricted Funds ^{2/}	<u>325,075,175</u>	<u>302,761,700</u>	<u>257,463,450</u>	<u>177,927,088</u>
Net available for debt service	<u>\$ 553,940,176</u>	<u>\$ 480,687,173</u>	<u>\$ 418,974,315</u>	<u>\$ 371,345,305</u>
Annual Debt Service	\$ 119,659,294	\$ 89,035,517	\$ 92,473,619	\$ 73,324,618
Debt Service Coverage Ratio	4.63	5.40	4.53	5.06

1/ Prior to fiscal 2008, connection charges reflected the net cash received from this revenue source. Amounts for years after fiscal 2007 have been modified with a refund contingency.

2/ Bond covenants specify that beginning unrestricted funds should be used in the calculation of debt coverage.

**Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Demographic Statistics
Clark County, Nevada
Last Ten Fiscal Years**

Fiscal Year	Population (1)	Per Capita Income (2)	Clark County Personal Income In Million \$ (3)	Median Household Income (4)
2010	2,039,000	40,021	\$81,602.8	58,896
2009	2,006,347	39,947	80,147.5	56,515
2008	1,986,146	39,920	75,012.6	54,133
2007	1,996,542	39,945	73,444.4	53,319
2006	1,912,654	38,730	68,866.8	50,473
2005	1,815,700	37,555	64,175.2	49,565
2004	1,747,025	33,463	51,976.2	45,793
2003	1,641,529	30,949	48,600.9	43,756
2002	1,578,332	29,854	45,202.6	42,243
2001	1,498,274	29,657	43,179.7	42,810

Fiscal Year	School Enrollment (5)	Total Labor Force Thousands (6)	Unemployment Rate (6)
2010	309,476	974.7	14.5%
2009	311,240	986.4	12.4%
2008	308,783	988.0	6.6%
2007	302,763	953.7	4.8%
2006	291,510	917.3	4.2%
2005	280,275	873.4	4.2%
2004	269,960	836.8	4.6%
2003	252,775	805.6	5.4%
2002	246,151	783.7	5.9%
2001	228,814	759.6	5.5%

(1) Source -- Center for Business and Economic Research, University of Nevada, Las Vegas

(2) Source -- U.S. Bureau of Economic Analysis, CA1-3 per capita personal income, Clark County, Nevada, 2009 and 2010 trended.

(3) Source -- U.S. Bureau of Economic Analysis, CA1-3 personal income, Clark County, Nevada, 2009 and 2010 trended.

(4) Source -- 2001 - 2005, Nevada Workforce Informer. 2006 - 2008, U S Bureau of Economic Analysis, Regional Quarterly Report January 2010. 2009 and 2010 are trended based on local news stories.

(5) Source -- Clark County School District, Average Daily Membership.

(6) Source -- State of Nevada -- Department of Employment, Training and Rehabilitation, Clark County.

**Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Secured Tax Roll
Clark County, Nevada
2010 - 2011**

<u>Taxpayer</u>	<u>Taxable Assessed</u>	<u>Taxable Appraised</u>
1. MGM Mirage	\$ 5,705,965,450	\$ 16,302,758,400
2. Harrahs Entertainment Inc.	1,775,561,384	5,073,032,500
3. NV Energy	1,522,626,587	4,350,361,700
4. Las Vegas Sands Corporation	698,007,280	1,994,306,500
5. Boyd Gaming Corporation	607,503,974	1,735,725,600
6. Wynn Las Vegas LLC	589,733,050	1,684,951,600
7. General Growth Properties	544,175,097	1,554,786,000
8. Station Casinos	475,492,479	1,358,549,900
9. Universal Health Services Inc.	186,195,222	531,986,300
10. Basic Management Inc.	184,427,580	526,935,900
 Total 2010 - 2011	 <u>\$ 12,289,688,103</u>	 <u>\$ 35,113,394,400</u>

SOURCE: Clark County, Nevada, assessor's office

* Most recent data available

Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Top Ten Employers ⁽¹⁾⁽²⁾
Clark County, Nevada
Fiscal Year Ended June, 2009 and Fiscal Year Ended June, 2000

Employer Trade Name	FY 2009			FY 2000 ⁽³⁾		
	Employees	Ranking	(4)	Employees	Ranking	(4)
Clark County School District	30000 to 39999	1	3.59%	23500 to 23999	1	2.41%
Clark County	9000 to 9499	2	0.95%	7500 to 7999	5	0.79%
Wynn Las Vegas	8000 to 8499	3	0.85%			
Bellagio LLC	8000 to 8499	4	0.85%	8500 to 8999	2	0.89%
Mgm Grand Hotel/Casino	7500 to 8000	5	0.80%	8500 to 8999	3	0.89%
Mandalay Bay Resort and Casino	6000 to 6499	6	0.64%	5000 to 5499	7	0.53%
Las Vegas Metropolitan Police	5500 to 5999	7	0.59%			
Caesars Palace	5000 to 5499	8	0.54%	4500 to 4999	9	0.48%
University of Nevada-Las Vegas	4500 to 4999	9	0.49%			
Venetian Casino Resort	4500 to 4999	10	0.49%			
Ballys & Paris Casino Hotel				8000 to 8499	4	0.84%
Mirage Casino-Hotel				6500 to 6999	6	0.68%
Rio Suite Hotel and Casino				5000 to 5499	8	0.53%
State of Nevada				4500 to 4999	10	0.48%
<i>Total Labor Force</i>	<i>974,700</i>			<i>986,400</i>		

(1) Source -- Nevada Workforce Informer, Nevada Employer Directory, GASB 44 report as of 8/4/2010. Most recent figures available.

(2) Nevada law prohibits the disclosure of exact employee counts. All employee counts are shown in ranges. Calculations of total labor force per employer (column (4)) are estimates.

(3) Only the top ten employers of the period are listed.

(4) Estimated percent of total labor force attributed to this employer

Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Full Time Equivalent Employees by Department / Function ⁽¹⁾
Last Ten Fiscal Years

Department	Function	Fiscal Year Ended June 30									
		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Southern Nevada Water Systems	Water Treatment and Transmission	189	194	184	178	178	161	154	151	148	135
SNWA Engineering	Planning / Constructing Infrastructure	66	67	62	58	53	44	36	34	27	23
SNWA Groundwater Resources ⁽²⁾	Procure New Water Sources	66	67	80.5	75.5						
SNWA Surface Water Resources ⁽²⁾	Acquiring / Managing River Water Resources	24	37	30	26						
SNWA Environmental Resources ⁽⁴⁾	Conservation/ Las Vegas Wash	46	34								
SNWA Energy Management	Acquiring/ Managing Energy	5	7	7	7						
SNWA Resources ⁽²⁾	Procure New Water Sources/ Manage Existing Water Sources/ Conservation					80.5	71.5	56 ⁽³⁾	34	31	31

(1) SNWA has no employees of its own. Employees in the SNWA departments presented in this chart, as well as LVVWD employees partially or fully allocated to SNWA (and not shown in the analysis above) are employed by LVVWD. SNWA reimburses LVVWD for those expenses.

(2) On January, 2006, the SNWA Board of Directors approved the division of the SNWA Resources department into SNWA Groundwater Resources and SNWA Surface Water Resources.

(3) On July, 2003, the Conservation department which had previously been under the management of LVVWD Public Services was transferred to the SNWA Resources department.

(4) On July, 2008, the Conservation department which had previously been under the management of SNWA Groundwater Resources was transferred to the new SNWA Energy Environmental Resources department.

Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Operating Indicators by Department / Function
Last Ten Years

		Calendar Year Ended December 31									
		<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Southern Nevada											
Water Systems											
System Capacity in Million Gallons per Day		900.0	900.0	900.0	900.0	750.0	750.0	750.0	750.0	700.0	600.0
Water Billed in Million Gallons per Day											
Average Day		376.6	392.1	427.6	424.2	394.3	379.2	403.1	391.5	391.9	382.4
Maximum Day		544.9	531.0	582.0	596.0	603.0	607.0	563.0	573.0	536.0	570.9

SNWA Resources											
Conservation -- Per Capita Water Usage in Gallons Per Day		248	249	255	264	269	274	294	314	318	315

		Fiscal Year Ended June 30									
		<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
SNWA Engineering											
Construction Contract Payments (Million Dollars)		\$194	\$232	\$371	\$148	\$145	\$153	\$164	\$169	\$236	\$224

SNWA Resources											
Lake Mead Level at Hoover Dam Elevation, in Feet		1,089	1,095	1,114	1,128	1,141	1,127	1,143	1,160	1,183	1,204

Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Capital Asset Statistics
by Department / Function
Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Miles of Pipeline	163	163	163	163	163
Ozone Treatment Capacity in Million Gallons per Day	1015	1015	900	900	900
Ozone Treatment Facilities	3	3	2	2	2
Pumping Plants	31	31	28	30	30
Reservoirs & Forebays	44	42	38	28	28
Metering Stations	36	36	35	34	34
Rechlorination Facilities	11	11	9	9	9
Plant Facilities	3	3	2	2	2

	Fiscal Year Ended June 30				
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Miles of Pipeline	163	155	141	136	120
Ozone Treatment Capacity in Million Gallons per Day	900	750	750	750	750
Ozone Treatment Facilities	2	2	2	2	2
Pumping Plants	30	27	25	26	26
Reservoirs & Forebays	28	27	27	27	25
Metering Stations	34	31	30	30	30
Rechlorination Facilities	9	12	9	12	11
Plant Facilities	2	2	2	2	2

Southern Nevada Water Authority
Debt History (Unaudited)
as of June 30, 2010

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Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance @ 6/30/2010(\$)
CRC	1967 Debenture #1	Sept 1967	Interim Water Acquisition Planning & Design	10,000	10,000	1968 Bonds		
CRC	1967 Debenture #2	Oct 1967	Interim Water Acquisition Planning & Design	25,000	25,000	1968 Bonds		
CRC	1967 Debenture #3	Nov 1967	Interim Water Acquisition Planning & Design	365,000	365,000	1968 Bonds		
CRC	1968 Bonds	Jun 1968	First stage of the state facilities AMS Treatment Plant	8,900,000	5,580,000	1994 Bonds	3,320,000	
CRC	Federal Replacement Contract # 1	Mar 1973	First stage of the federal facilities - transmission	51,558,293	39,636,913	SNWA 0601 Bonds	11,921,380	
CRC	1978 A Bonds	Jan 1979	Second stage of the state facilities - design & equipment purchase	13,000,000	9,125,000	1994 Bonds	3,875,000	
CRC	1978 B Bonds	Feb 1979	Second stage of the state facilities -- construction	47,000,000	36,220,000	1993 Bonds	10,780,000	
CRC	1982 Debenture	Jul 1982	New computer system for the second stage state facilities	3,000,000	3,000,000	1978 C Bonds		
CRC	Federal Repayment Contract # 2	Mar 1983	Second stage of the federal facilities - transmission	131,480,402	122,617,366	SNWA 0601 Bonds	8,863,036	
CRC	1978 C Bonds	Jul 1984	Refund the 1982 debenture	3,000,000	2,595,000	1990 Bonds	405,000	
CRC	1978 D Bonds	Aug 1986	Relocate the Las Vegas Lateral under the Las Vegas Wash	11,000,000	8,550,000	1993 Bonds	2,450,000	
CRC	1990 Bonds	Aug 1990	Refund the 1978 C Bond and start the Communications Project	6,550,000	3,340,000	1993 Bonds	3,210,000	
CRC	1992 Bonds	Nov 1992	Lab equipment improvements Maintenance & operations facilities	9,815,000	5,125,000	CRC 1997B Bonds	4,690,000	
CRC	1993 Bonds	Nov 1993	Refund the 1978B, 1978B and 1990 Bonds	46,805,000	23,125,000	CRC 2003C Bonds	23,680,000	

Southern Nevada Water Authority
Debt History (Unaudited)
as of June 30, 2010

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Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance @ 6/30/2010(\$)
CRC	1994 Bonds	Nov 1994	Refund the 1968 & 1978A bonds & begin construction on the SNWA CIP	170,380,000	141,610,000	CRC 1995 & 2005H Bonds	28,770,000	
LVVWD	SNWA Mar 1995 Bonds	Mar 1995	SNWA CIP Construction Fund	20,000,000	12,775,000	LVVWD 0498 & 2005B Bonds	7,225,000	
LVVWD	SNWA Jul 1995 Bonds	Jul 1995	SNWA CIP Construction Fund	30,000,000	15,675,000	LVVWD 0498 & 2005B Bonds	14,325,000	
CRC	1995 Bonds	Dec 1995	Partially refund the CRC 1994 Bonds	118,590,000	108,550,000	CRC 2006D Refunding	10,040,000	
LVVWD	SNWA Jul 1996 Bonds	Jul 1996	SNWA CIP Construction Fund	180,000,000	168,300,000	LVVWD 0498 & 2005B Bonds	11,700,000	
CRC	1997A Bonds	Sep 1997	Phase I of the Power Delivery Project	49,270,000	41,550,000	CRC 2005I Bonds	7,720,000	
CRC	1997B Bonds	Sep 1997	Partially refund the CRC 1992 Bonds	5,545,000	2,310,000	CRC 2010B	3,235,000	
LVVWD	SNWA Commercial Paper	Jan 1998	SNWA CIP Construction Fund	250,000,000	250,000,000	LVVWD 0103 Bonds		
LVVWD	SNWA Apr 1998 Bonds	Apr 1998	Partially refund the LVVWD 0395, 0795, & 0796 Bonds	190,255,000	183,420,000	LVVWD 2008 B Bonds	6,835,000	
SNWA	SNWA 0798 Bonds State Bond Bank	Jul 1998	SNWA CIP Construction Fund	300,000,000	254,400,000	SNWA 2005F Bonds	24,250,000	21,350,000
CRC	1999A Bonds	Sep 1999	Phase II of the Power Delivery Project	25,730,000	22,295,000	CRC 2005I Bonds	3,435,000	
SNWA	State Drinking Water Revolving Fund Loan #1	Dec 1999	SNWA CIP Construction Fund	12,269,695			5,048,942	7,220,753
SNWA	SNWA 0700 Bonds Clark Co. Bond Bank	Jul 2000	SNWA CIP Construction Fund	200,000,000	175,105,000	SNWA 2006 & SNWA 2009 Refunding	24,895,000	
SNWA	SNWA 0601 Bonds Clark Co Bond Bank	Jun 2001	SNWA CIP Construction Fund Repay Federal Contracts	250,000,000	184,710,000	SNWA 2006, 1106 & 2009 Refundings	27,905,000	37,385,000

Southern Nevada Water Authority
Debt History (Unaudited)
as of June 30, 2010

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Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance @ 6/30/2010(\$)
SNWA	State Drinking Water Revolving Fund Loan #2	Jun 2001	SNWA CIP Construction Fund	10,000,000			3,433,822	6,566,178
SNWA	SNWA 1102 Bonds Clark Co Bond Bank	Nov 2002	SNWA CIP Construction Fund	200,000,000	111,060,000	SNWA 1106 & 2009 Refundings	19,210,000	69,730,000
LVVWD	SNWA Comemrcial Paper Pay Off	Jan 2003	Refund Jan 1998 LVVWD Commercial Paper Program	250,000,000	23,385,000	SNWA 2009D	37,735,000	188,880,000
CRC	2003C Bonds	Sep 2003	Partially Refund CRC 1993 Bonds	21,515,000	455,000	CRC 2010B	20,905,000	155,000
LVVWD	SNWA Comemrcial Paper	Mar 2004	SNWA CIP Construction Fund & Silverhawk Purchase	400,000,000			0	400,000,000
LVVWD	2005B Refunding Bonds	May 2005	Partially Refund LVVWD 0395, 0795, and 0796 Bonds	27,925,000			27,925,000	
SNWA	2005F Refunding Bonds	May 2005	Partially Refund SNWA 0798 Bonds	249,365,000			14,525,000	234,840,000
CRC	2005H Refunding Bonds	Apr 2005	Partially Refund CRC 1994 Bonds	36,130,000			4,510,000	31,620,000
CRC	2005I Refunding Bonds	Apr 2005	Partially Refund CRC 1997A & 1999A Bonds	65,300,000			2,800,000	62,500,000
SNWA	2006 Refunding Bonds	May 2006	Partially Refund SNWA 0700 & SNWA 0601 Bonds	242,880,000			5,655,000	237,225,000
CRC	2006D Refunding Bonds	July 2006	Refund CRC 1995 Bonds	111,840,000	4,495,000	CRC 2010B	15,055,000	92,290,000
SNWA	1106 New Money & Refunding Bond	Nov 2006	SNWA CIP Construction Fund & Partial Refund of SNWA 0601 & 1102 Bonds	604,140,000	3,680,000	SNWA 2009 Refunding	7,550,000	592,910,000
LVVWD	2008B Refunding Bonds	Feb 2008	Refund LVVWD April 1998 Bond	171,720,000			3,455,000	168,265,000

Southern Nevada Water Authority
Debt History (Unaudited)
as of June 30, 2010

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Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance @ 6/30/2010(\$)
SNWA	2008 New Money Bonds	July 2008	SNWA CIP Construction Fund	400,000,000	14,040,000	SNWA 2009 Refunding	0	385,960,000
SNWA	2008 Clean Renewable Energy Bonds	July 2008	SNWA CIP Construction Fund	6,900,000			920,000	5,980,000
LVVWD	2009A Build America Bonds	Aug 2009	SNWA CIP Construction Fund	90,000,000			0	90,000,000
LVVWD	2009B New Money Bonds	Aug 2009	SNWA CIP Construction Fund (Capitalized Interest)	10,000,000			0	10,000,000
SNWA	2009 Refunding	Nov 2009	Partial refund of SNWA 0700, SNWA 0601, SNWA 1102, SNWA 1106, SNWA 1108 Bonds	50,000,000			0	50,000,000
SNWA	2009 Water Revenue Bonds	Dec 2009	SNWA CIP Construction Fund (\$2.75 million max -- funding to be requested as needed)	2,750,000			0	2,750,000
LVVWD	2009C Build America Bonds	Dec 2009	SNWA CIP Construction Fund	348,115,000			0	348,115,000
LVVWD	2009D New Money & Refunding Bonds	Dec 2009	Capitalized Interest & Partial refund of LVVWD Commercial Paper Payoff (Jan 03)	71,965,000			0	71,965,000
CRC	2010B Refunding Bonds	June 2010	Refund CRC1997B & Partial refund of CRC 2003C & 2006D Bonds	7,405,000			0	7,405,000
Totals				5,512,498,390	1,977,129,279		412,257,179	3,123,111,932

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
As of June 30, 2010

Page 1 of 13

Fiscal Year	SNWA 0798 Bonds			SRF Loan Dec 1999		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ -	\$ 1,067,500	\$ 1,067,500	\$ 611,462	\$ 255,200	\$ 866,663
2012	-	1,067,500	1,067,500	633,736	232,927	866,663
2013	-	1,067,500	1,067,500	656,820	209,843	866,663
2014	-	1,067,500	1,067,500	680,745	185,918	866,663
2015	-	1,067,500	1,067,500	705,542	161,121	866,663
2016	-	1,067,500	1,067,500	731,242	135,421	866,663
2017	-	1,067,500	1,067,500	757,878	108,785	866,663
2018	-	1,067,500	1,067,500	785,484	81,179	866,663
2019	-	1,067,500	1,067,500	814,096	52,567	866,663
2020	-	1,067,500	1,067,500	843,750	22,913	866,663
2021	-	1,067,500	1,067,500			
2022	-	1,067,500	1,067,500			
2023	-	1,067,500	1,067,500			
2024	-	1,067,500	1,067,500			
2025	-	1,067,500	1,067,500			
2026	-	1,067,500	1,067,500			
2027	-	1,067,500	1,067,500			
2028	21,350,000	1,067,500	22,417,500			
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
Totals	\$ 21,350,000	\$ 19,215,000	\$ 40,565,000	\$ 7,220,753	\$ 1,445,872	\$ 8,666,626

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
As of June 30, 2010

Fiscal Year	SNWA 0601 Bonds			SRF Loan Jun 2001		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ -	\$ 1,862,150	\$ 1,862,150	\$ 473,815	\$ 223,126	\$ 696,941
2012	-	1,902,150	1,902,150	490,351	206,591	696,941
2013	6,580,000	1,902,150	8,482,150	507,463	189,478	696,941
2014	-	1,540,250	1,540,250	525,174	171,768	696,941
2015	-	1,540,250	1,540,250	543,502	153,439	696,941
2016	-	1,540,250	1,540,250	562,470	134,472	696,941
2017	-	1,540,250	1,540,250	582,099	114,842	696,941
2018	-	1,540,250	1,540,250	602,414	94,527	696,941
2019	-	1,540,250	1,540,250	623,438	73,503	696,941
2020	-	1,540,250	1,540,250	645,196	51,746	696,941
2021	-	1,540,250	1,540,250	667,712	29,229	696,941
2022	-	1,540,250	1,540,250	342,545	5,926	348,471
2023	-	1,540,250	1,540,250			
2024	-	1,540,250	1,540,250			
2025	-	1,540,250	1,540,250			
2026	-	1,540,250	1,540,250			
2027	-	1,540,250	1,540,250			
2028	-	1,540,250	1,540,250			
2029	-	1,540,250	1,540,250			
2030	15,075,000	1,540,250	16,615,250			
2031	15,730,000	786,500	16,516,500			
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
Totals	\$ 37,385,000	\$ 32,637,200	\$ 70,022,200	\$ 6,566,178	\$ 1,448,646	\$ 8,014,824

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
As of June 30, 2010

Fiscal Year	SNWA 1102 Bonds			LVVWD 0103 Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ -	\$ 3,527,850	\$ 3,527,850	\$ -	\$ 9,651,775	\$ 9,651,775
2012	-	3,527,850	3,527,850	-	9,651,775	9,651,775
2013	4,995,000	3,527,850	8,522,850	8,625,000	9,651,775	18,276,775
2014	5,245,000	3,278,100	8,523,100	9,080,000	9,198,963	18,278,963
2015	5,510,000	3,002,738	8,512,738	9,555,000	8,722,263	18,277,263
2016	5,785,000	2,713,463	8,498,463	10,060,000	8,220,625	18,280,625
2017	-	2,409,750	2,409,750	10,585,000	7,692,475	18,277,475
2018	-	2,409,750	2,409,750	11,140,000	7,136,763	18,276,763
2019	-	2,409,750	2,409,750	11,725,000	6,551,913	18,276,913
2020	-	2,409,750	2,409,750	12,340,000	5,936,350	18,276,350
2021	-	2,409,750	2,409,750	12,990,000	5,288,500	18,278,500
2022	-	2,409,750	2,409,750	13,640,000	4,639,000	18,279,000
2023	-	2,409,750	2,409,750	14,320,000	3,957,000	18,277,000
2024	-	2,409,750	2,409,750	15,040,000	3,241,000	18,281,000
2025	-	2,409,750	2,409,750	15,790,000	2,489,000	18,279,000
2026	-	2,409,750	2,409,750	16,580,000	1,699,500	18,279,500
2027	-	2,409,750	2,409,750	17,410,000	870,500	18,280,500
2028	-	2,409,750	2,409,750			
2029	11,140,000	2,409,750	13,549,750			
2030	11,725,000	1,852,750	13,577,750			
2031	12,340,000	1,266,500	13,606,500			
2032	12,990,000	649,500	13,639,500			
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
Totals	\$ 69,730,000	\$ 54,673,350	\$ 124,403,350	\$ 188,880,000	\$ 104,599,175	\$ 293,479,175

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
As of June 30, 2010

Fiscal Year	CRC 2003C Refunding Bonds			LVVWD Tax-Exempt Commercial Paper		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 155,000	\$ 5,813	\$ 160,813	\$ 400,000,000	\$ 8,000,000	\$ 408,000,000
2012						
2013						
2014						
2015						
2016						
2017						
2018						
2019						
2020						
2021						
2022						
2023						
2024						
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2035						
2036						
2037						
2038						
2039						
2040						
Totals	\$ 155,000	\$ 5,813	\$ 160,813	\$ 400,000,000	\$ 8,000,000	\$ 408,000,000

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
As of June 30, 2010

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Fiscal Year	SNWA 2005F Refunding Bonds			CRC 2005H Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 8,985,000	\$ 11,517,375	\$ 20,502,375	\$ -	\$ 1,501,950	\$ 1,501,950
2012	9,445,000	11,056,625	20,501,625	-	1,501,950	1,501,950
2013	9,935,000	10,572,125	20,507,125	-	1,501,950	1,501,950
2014	10,440,000	10,062,750	20,502,750	-	1,501,950	1,501,950
2015	10,975,000	9,527,375	20,502,375	-	1,501,950	1,501,950
2016	11,540,000	8,964,500	20,504,500	-	1,501,950	1,501,950
2017	12,135,000	8,372,625	20,507,625	-	1,501,950	1,501,950
2018	12,755,000	7,750,375	20,505,375	-	1,501,950	1,501,950
2019	13,410,000	7,096,250	20,506,250	-	1,501,950	1,501,950
2020	14,095,000	6,408,625	20,503,625	-	1,501,950	1,501,950
2021	14,815,000	5,685,875	20,500,875	-	1,501,950	1,501,950
2022	15,580,000	4,926,000	20,506,000	-	1,501,950	1,501,950
2023	16,380,000	4,127,000	20,507,000	-	1,501,950	1,501,950
2024	17,220,000	3,287,000	20,507,000	-	1,501,950	1,501,950
2025	18,095,000	2,404,125	20,499,125	10,060,000	1,501,950	11,561,950
2026	19,030,000	1,476,000	20,506,000	10,535,000	1,024,100	11,559,100
2027	20,005,000	500,125	20,505,125	11,025,000	523,688	11,548,688
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
Totals	\$ 234,840,000	\$ 113,734,750	\$ 348,574,750	\$ 31,620,000	\$ 24,077,038	\$ 55,697,038

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
As of June 30, 2010

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Fiscal Year	CRC 2005I Refunding Bonds			SNWA 2006 Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 2,170,000	\$ 2,949,938	\$ 5,119,938	\$ 1,460,000	\$ 10,920,294	\$ 12,380,294
2012	2,270,000	2,838,938	5,108,938	6,010,000	10,861,894	16,871,894
2013	2,395,000	2,722,313	5,117,313	6,255,000	10,621,494	16,876,494
2014	2,505,000	2,599,813	5,104,813	6,505,000	10,371,294	16,876,294
2015	2,640,000	2,471,188	5,111,188	6,785,000	10,094,831	16,879,831
2016	2,765,000	2,336,063	5,101,063	14,845,000	9,806,469	24,651,469
2017	2,905,000	2,194,313	5,099,313	15,515,000	9,157,000	24,672,000
2018	3,050,000	2,045,438	5,095,438	16,240,000	8,458,825	24,698,825
2019	3,190,000	1,897,413	5,087,413	16,990,000	7,728,025	24,718,025
2020	3,335,000	1,750,600	5,085,600	17,770,000	6,942,238	24,712,238
2021	3,485,000	1,592,794	5,077,794	18,590,000	6,120,375	24,710,375
2022	3,650,000	1,423,338	5,073,338	19,470,000	5,237,350	24,707,350
2023	3,820,000	1,245,925	5,065,925	9,385,000	4,312,525	13,697,525
2024	4,000,000	1,060,200	5,060,200	9,885,000	3,866,738	13,751,738
2025	4,185,000	865,806	5,050,806	10,410,000	3,397,200	13,807,200
2026	4,380,000	662,388	5,042,388	10,970,000	2,902,725	13,872,725
2027	4,585,000	449,469	5,034,469	11,560,000	2,381,650	13,941,650
2028	4,805,000	226,456	5,031,456	12,185,000	1,832,550	14,017,550
2029	1,630,000	73,625	1,703,625	12,845,000	1,253,763	14,098,763
2030	735,000	17,456	752,456	13,550,000	643,625	14,193,625
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
Totals	\$ 62,500,000	\$ 31,423,469	\$ 93,923,469	\$ 237,225,000	\$ 126,910,863	\$ 364,135,863

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
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Fiscal Year	SNWA 1106 Bonds			CRC 2006D Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 2,895,000	\$ 26,624,288	\$ 29,519,288	\$ 4,720,000	\$ 4,575,263	\$ 9,295,263
2012	7,610,000	26,361,663	33,971,663	4,960,000	4,339,263	9,299,263
2013	8,055,000	25,970,038	34,025,038	5,205,000	4,091,263	9,296,263
2014	15,610,000	25,378,413	40,988,413	5,470,000	3,831,013	9,301,013
2015	16,415,000	24,577,788	40,992,788	5,735,000	3,557,513	9,292,513
2016	9,305,000	23,934,788	33,239,788	6,020,000	3,270,763	9,290,763
2017	16,010,000	23,301,913	39,311,913	6,320,000	2,969,763	9,289,763
2018	16,815,000	22,481,288	39,296,288	6,635,000	2,653,763	9,288,763
2019	17,660,000	21,619,413	39,279,413	6,965,000	2,322,013	9,287,013
2020	18,555,000	20,714,038	39,269,038	7,310,000	1,973,763	9,283,763
2021	19,505,000	19,762,538	39,267,538	7,665,000	1,608,263	9,273,263
2022	20,500,000	18,762,413	39,262,413	8,030,000	1,244,175	9,274,175
2023	32,865,000	17,428,288	50,293,288	8,420,000	862,750	9,282,750
2024	34,520,000	15,743,663	50,263,663	8,835,000	441,750	9,276,750
2025	36,250,000	13,974,413	50,224,413			
2026	38,070,000	12,116,413	50,186,413			
2027	39,670,000	10,470,438	50,140,438			
2028	41,030,000	9,058,188	50,088,188			
2029	31,335,000	7,556,788	38,891,788			
2030	18,110,000	6,377,256	24,487,256			
2031	18,980,000	5,506,600	24,486,600			
2032	19,955,000	4,533,225	24,488,225			
2033	20,980,000	3,509,850	24,489,850			
2034	21,830,000	2,657,900	24,487,900			
2035	22,665,000	1,820,488	24,485,488			
2036	23,530,000	957,575	24,487,575			
2037	24,185,000	302,313	24,487,313			
2038						
2039						
2040						
Totals	\$ 592,910,000	\$ 391,501,969	\$ 984,411,969	\$ 92,290,000	\$ 37,741,313	\$ 130,031,313

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
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Fiscal Year	LVVWD 2008B			SNWA 2008		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 9,275,000	\$ 8,220,431	\$ 17,495,431	\$ -	\$ 19,298,000	\$ 19,298,000
2012	9,725,000	7,756,681	17,481,681	-	19,298,000	19,298,000
2013	10,215,000	7,270,431	17,485,431	7,550,000	19,298,000	26,848,000
2014	11,080,000	6,759,681	17,839,681	7,930,000	18,920,500	26,850,500
2015	11,635,000	6,205,681	17,840,681	8,325,000	18,524,000	26,849,000
2016	10,445,000	5,623,931	16,068,931	8,740,000	18,107,750	26,847,750
2017	8,420,000	5,101,681	13,521,681	9,180,000	17,670,750	26,850,750
2018	8,835,000	4,680,681	13,515,681	9,635,000	17,211,750	26,846,750
2019	9,285,000	4,238,931	13,523,931	10,120,000	16,730,000	26,850,000
2020	9,760,000	3,774,681	13,534,681	10,625,000	16,224,000	26,849,000
2021	10,255,000	3,286,681	13,541,681	11,155,000	15,692,750	26,847,750
2022	10,780,000	2,773,931	13,553,931	11,715,000	15,135,000	26,850,000
2023	11,330,000	2,234,931	13,564,931	12,300,000	14,549,250	26,849,250
2024	11,825,000	1,753,406	13,578,406	12,915,000	13,934,250	26,849,250
2025	12,385,000	1,206,500	13,591,500	13,560,000	13,288,500	26,848,500
2026	13,015,000	618,321	13,633,321	14,240,000	12,610,500	26,850,500
2027				14,950,000	11,898,500	26,848,500
2028				15,700,000	11,151,000	26,851,000
2029				16,485,000	10,366,000	26,851,000
2030				17,305,000	9,541,750	26,846,750
2031				18,170,000	8,676,500	26,846,500
2032				19,080,000	7,768,000	26,848,000
2033				20,035,000	6,814,000	26,849,000
2034				21,035,000	5,812,250	26,847,250
2035				22,090,000	4,760,500	26,850,500
2036				23,195,000	3,656,000	26,851,000
2037				24,355,000	2,496,250	26,851,250
2038				25,570,000	1,278,500	26,848,500
2039						
2040						
Totals	\$ 168,265,000	\$ 71,506,583	\$ 239,771,583	\$ 385,960,000	\$ 350,712,250	\$ 736,672,250

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
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Fiscal Year	SNWA Clean Renewable Energy 2008			LVVWD 2009 A		
	Principal	Interest	Total	Principal	Interest*	Total
2011	\$ 460,000	\$ 67,275	\$ 527,275	\$ -	\$ 4,153,500	\$ 4,153,500
2012	460,000	61,893	521,893	-	4,153,500	4,153,500
2013	460,000	56,511	516,511	-	4,153,500	4,153,500
2014	460,000	51,129	511,129	-	4,153,500	4,153,500
2015	460,000	45,747	505,747	-	4,153,500	4,153,500
2016	460,000	40,365	500,365	-	4,153,500	4,153,500
2017	460,000	34,983	494,983	-	4,153,500	4,153,500
2018	460,000	29,601	489,601	-	4,153,500	4,153,500
2019	460,000	24,219	484,219	-	4,153,500	4,153,500
2020	460,000	18,837	478,837	-	4,153,500	4,153,500
2021	460,000	13,455	473,455	-	4,153,500	4,153,500
2022	460,000	8,073	468,073	-	4,153,500	4,153,500
2023	460,000	2,691	462,691	-	4,153,500	4,153,500
2024				-	4,153,500	4,153,500
2025				-	4,153,500	4,153,500
2026				-	4,153,500	4,153,500
2027				-	4,153,500	4,153,500
2028				-	4,153,500	4,153,500
2029				-	4,153,500	4,153,500
2030				-	4,153,500	4,153,500
2031				-	4,153,500	4,153,500
2032				-	4,153,500	4,153,500
2033				1,620,000	4,153,500	5,773,500
2034				1,700,000	4,078,737	5,778,737
2035				1,775,000	4,000,282	5,775,282
2036				1,855,000	3,918,366	5,773,366
2037				1,940,000	3,832,758	5,772,758
2038				26,520,000	3,743,227	30,263,227
2039				54,590,000	2,519,329	57,109,329
2040						
Totals	\$ 5,980,000	\$ 454,779	\$ 6,434,779	\$ 90,000,000	\$ 117,623,197	\$ 207,623,197

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
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Fiscal Year	LVVWD 2009 B			SNWA 2009 Refunding		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ -	\$ 473,313	\$ 473,313	\$ -	\$ 2,500,000	\$ 2,500,000
2012	-	473,313	473,313	-	2,500,000	2,500,000
2013	-	473,313	473,313	1,780,000	2,500,000	4,280,000
2014	350,000	473,313	823,313	1,865,000	2,411,000	4,276,000
2015	365,000	459,313	824,313	1,960,000	2,317,750	4,277,750
2016	380,000	444,713	824,713	2,060,000	2,219,750	4,279,750
2017	395,000	429,513	824,513	2,160,000	2,116,750	4,276,750
2018	410,000	413,713	823,713	2,270,000	2,008,750	4,278,750
2019	425,000	397,313	822,313	2,380,000	1,895,250	4,275,250
2020	440,000	380,313	820,313	2,500,000	1,776,250	4,276,250
2021	460,000	362,713	822,713	2,625,000	1,651,250	4,276,250
2022	475,000	344,313	819,313	2,755,000	1,520,000	4,275,000
2023	500,000	320,563	820,563	2,895,000	1,382,250	4,277,250
2024	525,000	295,563	820,563	3,040,000	1,237,500	4,277,500
2025	550,000	269,313	819,313	3,190,000	1,085,500	4,275,500
2026	580,000	241,813	821,813	3,350,000	926,000	4,276,000
2027	610,000	212,813	822,813	3,520,000	758,500	4,278,500
2028	640,000	182,313	822,313	3,695,000	582,500	4,277,500
2029	670,000	150,313	820,313	3,880,000	397,750	4,277,750
2030	705,000	116,813	821,813	4,075,000	203,750	4,278,750
2031	740,000	79,800	819,800			
2032	780,000	40,950	820,950			
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
Totals	\$ 10,000,000	\$ 7,035,400	\$ 17,035,400	\$ 50,000,000	\$ 31,990,500	\$ 81,990,500

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
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Fiscal Year	SNWA 2009 Water Revenue**			LVVWD 2009 C		
	Principal	Interest	Total	Principal	Interest*	Total
2011	\$ -	\$ -	\$ -	\$ -	\$ 16,028,085	\$ 16,028,085
2012	-	-	-	-	16,028,085	16,028,085
2013	137,500	-	137,500	-	16,028,085	16,028,085
2014	137,500	-	137,500	-	16,028,085	16,028,085
2015	137,500	-	137,500	-	16,028,085	16,028,085
2016	137,500	-	137,500	-	16,028,085	16,028,085
2017	137,500	-	137,500	-	16,028,085	16,028,085
2018	137,500	-	137,500	-	16,028,085	16,028,085
2019	137,500	-	137,500	-	16,028,085	16,028,085
2020	137,500	-	137,500	-	16,028,085	16,028,085
2021	137,500	-	137,500	-	16,028,085	16,028,085
2022	137,500	-	137,500	-	16,028,085	16,028,085
2023	137,500	-	137,500	-	16,028,085	16,028,085
2024	137,500	-	137,500	-	16,028,085	16,028,085
2025	137,500	-	137,500	-	16,028,085	16,028,085
2026	137,500	-	137,500	-	16,028,085	16,028,085
2027	137,500	-	137,500	-	16,028,085	16,028,085
2028	137,500	-	137,500	-	16,028,085	16,028,085
2029	137,500	-	137,500	-	16,028,085	16,028,085
2030	137,500	-	137,500	0	16,028,085	16,028,085
2031	137,500	-	137,500	8,215,000	16,028,085	24,243,085
2032	137,500	-	137,500	25,085,000	15,640,259	40,725,259
2033				39,105,000	14,456,009	53,561,009
2034				40,950,000	12,609,881	53,559,881
2035				42,860,000	10,701,417	53,561,417
2036				44,815,000	8,747,666	53,562,666
2037				46,860,000	6,704,796	53,564,796
2038				48,995,000	4,568,707	53,563,707
2039				51,230,000	2,335,294	53,565,294
2040						
Totals	\$ 2,750,000	\$ -	\$ 2,750,000	\$ 348,115,000	\$ 412,353,816	\$ 760,468,816

Southern Nevada Water Authority
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Fiscal Year	LVVWD 2009 D			CRC 2010B		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ -	\$ 3,592,738	\$ 3,592,738	\$ -	\$ 256,134	\$ 256,134
2012	0	3,592,738	3,592,738	-	273,615	273,615
2013	2,780,000	3,592,738	6,372,738	-	273,615	273,615
2014	2,920,000	3,453,738	6,373,738	945,000	273,615	1,218,615
2015	3,070,000	3,307,738	6,377,738	980,000	238,697	1,218,697
2016	3,220,000	3,154,238	6,374,238	1,020,000	202,486	1,222,486
2017	3,385,000	2,993,238	6,378,238	1,055,000	164,797	1,219,797
2018	3,550,000	2,823,988	6,373,988	1,095,000	125,815	1,220,815
2019	3,730,000	2,646,488	6,376,488	1,135,000	85,355	1,220,355
2020	3,910,000	2,459,988	6,369,988	1,175,000	43,416	1,218,416
2021	4,110,000	2,264,488	6,374,488			
2022	4,315,000	2,058,988	6,373,988			
2023	4,530,000	1,843,238	6,373,238			
2024	4,755,000	1,616,738	6,371,738			
2025	4,955,000	1,414,650	6,369,650			
2026	5,205,000	1,166,900	6,371,900			
2027	5,470,000	906,650	6,376,650			
2028	3,815,000	633,150	4,448,150			
2029	4,015,000	432,863	4,447,863			
2030	4,230,000	222,075	4,452,075			
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
Totals	\$ 71,965,000	\$ 44,177,363	\$ 116,142,363	\$ 7,405,000	\$ 1,937,544	\$ 9,342,544

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
As of June 30, 2010

Fiscal Year		GRAND TOTAL		
		Principal	Interest	Total
2011	* Interest shown is net of Build America Bond federal participation. ** Principal on this bond is issued as needed. Chart shows amortization if entire bond is used	\$ 431,205,277	\$ 137,271,995	\$ 568,477,273
2012		41,604,086	127,686,948	169,291,034
2013		76,131,783	125,673,969	201,805,752
2014		81,748,419	121,712,289	203,460,708
2015		85,796,543	117,658,464	203,455,008
2016		88,076,211	113,601,079	201,677,290
2017		90,002,477	109,124,461	199,126,938
2018		94,415,398	104,697,488	199,112,886
2019		99,050,034	100,059,685	199,109,719
2020		103,901,446	95,178,790	199,080,236
2021		106,920,212	90,059,944	196,980,156
2022		111,850,045	84,779,540	196,629,585
2023		117,342,500	78,967,445	196,309,945
2024		122,697,500	73,178,841	195,876,341
2025		129,567,500	67,096,041	196,663,541
2026		136,092,500	60,643,743	196,736,243
2027		128,942,500	54,171,416	183,113,916
2028		103,357,500	48,865,241	152,222,741
2029		82,137,500	44,362,685	126,500,185
2030		85,647,500	40,697,310	126,344,810
2031	74,312,500	36,497,485	110,809,985	
2032	78,027,500	32,785,434	110,812,934	
2033	81,740,000	28,933,359	110,673,359	
2034	85,515,000	25,158,768	110,673,768	
2035	89,390,000	21,282,687	110,672,687	
2036	93,395,000	17,279,606	110,674,606	
2037	97,340,000	13,336,116	110,676,116	
2038	101,085,000	9,590,433	110,675,433	
2039	105,820,000	4,854,622	110,674,622	
2040	-	-	-	
Totals		\$ 3,123,111,932	\$ 1,985,205,886	\$ 5,108,317,818

May be off slightly due to rounding

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**SEC DISCLOSURE
COMPLIANCE
SCHEDULES**
(UNAUDITED)



SOUTHERN NEVADA WATER AUTHORITY
DEBT SERVICE REQUIREMENTS (UNAUDITED) ⁽¹⁾
As of June 30, 2010

Year Ending June 30	Outstanding Superior Obligations Debt Service	Outstanding Parity Obligations Debt Service ⁽²⁾	Outstanding Subordinate Obligations Debt Service ⁽³⁾	Grand Total
2011	\$ 11,214,159	\$ 126,669,860	\$ 22,593,254	\$ 160,477,273
2012	11,074,827	135,629,085	22,587,122	169,291,034
2013	11,071,827	168,009,185	22,724,740	201,805,752
2014	12,021,577	168,724,148	22,714,983	203,460,708
2015	12,013,160	168,732,623	22,709,225	203,455,008
2016	12,015,199	166,956,123	22,705,968	201,677,290
2017	12,011,510	164,411,716	22,703,712	199,126,938
2018	12,011,527	164,405,279	22,696,080	199,112,886
2019	12,009,317	164,408,829	22,691,573	199,109,719
2020	12,004,129	164,392,541	22,683,566	199,080,236
2021	10,775,212	164,396,173	21,808,771	196,980,156
2022	10,776,125	164,393,416	21,460,044	196,629,585
2023	10,784,700	164,418,054	21,107,191	196,309,945
2024	10,778,700	164,453,141	20,644,500	195,876,341
2025	11,561,950	164,464,966	20,636,625	196,663,541
2026	11,559,100	164,533,643	20,643,500	196,736,243
2027	11,548,688	150,922,604	20,642,625	183,113,917
2028	-	152,085,241	137,500	152,222,741
2029	-	126,362,685	137,500	126,500,185
2030	-	126,207,310	137,500	126,344,810
2031	-	110,672,485	137,500	110,809,985
2032	-	110,675,434	137,500	110,812,934
2033	-	110,673,359	-	110,673,359
2034	-	110,673,768	-	110,673,768
2035	-	110,672,687	-	110,672,687
2036	-	110,674,606	-	110,674,606
2037	-	110,676,116	-	110,676,116
2038	-	110,675,433	-	110,675,433
2039	-	110,674,622	-	110,674,622
Totals	<u>\$ 195,231,707</u>	<u>\$ 4,130,645,132</u>	<u>\$ 374,440,979</u>	<u>\$ 4,700,317,818</u>

May be off slightly due to rounding

- (1) Excludes debt service on the LVVWD Commercial Paper notes.
(2) Combined debt service on the MBRA Parity Obligations and the SNWA Parity Obligations.
(3) Includes SNWA 2009 Water Revenue Bond at its maximum draw.

**SOUTHERN NEVADA WATER AUTHORITY
OUTSTANDING DEBT OBLIGATIONS (UNAUDITED)**

As of June 30, 2010

Page 1 of 2

	Dated	Final Maturity	Original Amount	Principal Outstanding
SUPERIOR OBLIGATIONS (1)				
CRC Refunding Bonds, Series 2003C	09/01/03	07/01/11	21,515,000	\$ 155,000
CRC Refunding Bonds, Series 2005H	04/13/05	07/01/27	36,130,000	31,620,000
CRC Refunding Bonds Series 2006D	07/18/06	07/01/24	106,585,000	92,290,000
CRC Refunding Bonds Series 2010B	06/24/10	06/01/20	7,405,000	7,405,000
TOTAL SUPERIOR OBLIGATIONS				131,470,000
PARITY OBLIGATIONS				
<i>MBRA Parity Obligations(2)</i>				
LVVWD Refunding Bonds, Series 2003B	01/01/03	06/01/27	250,000,000	188,880,000
LVVWD Refunding Bonds, Series 2008B	02/19/08	06/01/26	171,720,000	168,265,000
LVVWD Water Revenue Bonds, Series 2009A	08/05/09	06/01/39	90,000,000	90,000,000
LVVWD Water Revenue Bonds, Series 2009B	08/05/09	06/01/32	10,000,000	10,000,000
LVVWD Water Revenue Bonds, Series 2009C	12/23/09	06/01/39	348,115,000	348,115,000
LVVWD Water Revenue Bonds, Series 2009D	12/23/09	06/01/30	71,965,000	71,965,000
<i>Total MBRA Parity Obligations</i>				877,225,000
The Notes (3)	various	various	400,000,000	400,000,000
<i>Total MBRA Obligations</i>				1,277,225,000
<i>SNWA Parity Obligations(4)</i>				
SNWA Water Revenue Bond, Series 2001 (County Bond Bank)	06/01/01	06/01/31	250,000,000	37,385,000
SNWA Water Revenue Bond, Series 2002 (County Bond Bank)	11/01/02	06/01/32	200,000,000	69,730,000
CRC Refunding Bonds, Series 2005I	04/13/05	09/15/29	65,300,000	62,500,000
SNWA Water Revenue Refunding Bond, Series 2006	06/13/06	06/01/30	242,880,000	237,225,000
SNWA Water Revenue Bond, Series 2006	11/02/06	11/01/36	604,140,000	592,910,000
SNWA Water Revenue Bond, Series 2008	07/02/08	06/01/38	400,000,000	385,960,000
SNWA Revenue Bond, Series 2009	11/10/09	06/01/30	50,000,000	50,000,000
<i>Total MBRA Parity Obligations</i>				1,435,710,000
TOTAL PARITY OBLIGATIONS				2,712,935,000
SUBORDINATE OBLIGATIONS (5)				
SNWA Bonds, Series July 1, 1998 (State Bond Bank)	07/09/98	07/09/98	300,000,000	21,350,000
State of Nevada Safe Drinking Water Loan #1	09/01/99	09/01/99	12,269,695	7,220,753
State of Nevada Safe Drinking Water Loan #2	06/29/01	06/29/01	10,000,000	6,566,178
SNWA Refunding Bonds, Series 2005F (State Bond Bank)	05/17/05	05/17/05	249,365,000	234,840,000
Subordinate Lien Revenue Bond (CREBS), Series 2008(6)	07/30/08	12/15/22	6,900,000	5,980,000
SNWA Water Revenue Bond Series 2009 (7)	12/11/09	07/01/32	2,750,000	2,750,000
TOTAL SUBORDINATE OBLIGATIONS				278,706,931
TOTAL OUTSTANDING OBLIGATIONS				\$ 3,123,111,931

Footnotes on the following page

**SOUTHERN NEVADA WATER AUTHORITY
OUTSTANDING DEBT OBLIGATIONS (UNAUDITED)**

As of June 30, 2010

Page 2 of 2

FOOTNOTES

(1) Payable from the SNWA Water Revenues prior to any payments under the Master Bond Repayment Agreement (MBRA). No SNWA Water Revenues become subject to the MBRA until all SNWA operation and maintenance expenses and all obligations with respect to the SNWA Superior Obligations are satisfied.

(2) SNWA Water Revenues are available to fund the MBRA after the SNWA Superior obligations are paid.

(3) Payable from the SNWA Pledged Revenues after payment of the MBRA Parity Obligations. The LVVWD is authorized to have a maximum of \$400 million in Notes outstanding at any time.

(4) The SNWA Parity Obligations are not payable from the MBRA, but do have a lien on the SNWA Water Revenues that is on a parity with the lien thereon of the MBRA.

(5) Payable from SNWA Water Revenues after payment of the SNWA Parity Obligations.

(6) The SNWA Clean Renewable Energy Bonds (CREBs) have a lien on the SNWA Water Revenues that is subordinate to the lien thereon of the MBRA and the SNWA Parity Obligations. The CREBs also are secured with a lien on the quarter-cent Sales Tax.

(7) SNWA is allowed to draw proceeds on this bond up to a maximum of the original amount. All amounts must be drawn within thirty six months of date of issue. This schedule shows the total obligation of the bond and does not represent the cumulative draws to date.

**SOUTHERN NEVADA WATER AUTHORITY
STATEMENT OF OPERATING REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY (UNAUDITED)**

Fiscal Year	2006	2007	2008
Ending June 30	(Actual)	(Actual)	(Restated)
Operating Revenues			
Wholesale Delivery Charge	\$ 115,532,042	\$ 121,449,812	\$ 118,782,982
Groundwater Program Revenues	1,952,143	1,953,768	1,976,911
Las Vegas Wash Revenues	351,527	842,700	1,196,028
Purveyor Admin Cost Billings	1,074,374	359,042	367,710
Other Revenues	<u>1,586,346</u>	<u>1,586,346</u>	<u>2,010,404</u>
Total Operating Revenues	<u>118,910,086</u>	<u>126,191,668</u>	<u>124,334,035</u>
Operating Expenses			
Personnel & Related	32,131,870	33,754,022	37,430,481
Electric Power	56,584,777	47,268,452	35,233,331
Operation and maintenance	38,966,643	43,170,486	63,839,825
Depreciation	<u>50,389,946</u>	<u>53,032,871</u>	<u>57,234,105</u>
Total Operating Expenses	<u>178,073,236</u>	<u>177,225,831</u>	<u>193,737,742</u>
Operating Loss	<u>(59,163,150)</u>	<u>(51,034,163)</u>	<u>(69,403,707)</u>
Non-operating Revenues/(Expense)			
Investment Income	13,370,675	29,484,713	24,494,593
Credit Payment Income			
Interest Expense	(66,031,609)	(70,962,485)	(65,800,690)
Amortization of Refunding Costs	(978,821)	(1,467,458)	(1,286,877)
Amortization of Bond Issue Costs, Premiums and Discounts	(25,329)	540,036	944,276
Gain/(Loss) on Sale of Assets	<u>491,492</u>	<u>835,062</u>	<u>5,200</u>
Total Non-operating Revenues/(Expense)	<u>(53,173,592)</u>	<u>(41,570,132)</u>	<u>(41,643,499)</u>
Net Loss Before Adjustments	(112,336,742)	(92,604,295)	(111,047,206)
Add Capital Contributions ^{1/}	<u>396,406,624</u>	<u>239,207,602</u>	<u>210,871,628</u>
Net Income	284,069,882	146,603,307	99,824,423
Fund Equity - Beginning of Year ^{2/3/}	<u>1,029,010,763</u>	<u>1,313,080,645</u>	<u>1,459,683,952</u>
Fund Equity - End of Year ^{2/3/}	<u>\$ 1,313,080,645</u>	<u>\$ 1,459,683,952</u>	<u>\$ 1,559,508,375</u>

Continued on Next Page

1/ Includes Regional Connection Charges, Regional Commodity Charges and Regional Reliability Charges as well as other revenue sources. Amounts in years preceding 2008 reflect cash collections and have not been altered with contingency estimates. The budget column has also not been altered.

2/ Fund equity includes the value of all assets attributable to the proprietary fund, not just those acquired during the year presented.

3/ In accordance with GASB 34, the SNWA presents total Fund Equity rather than presenting Retaining Earnings. Fund Equity includes the value of all assets attributable to the proprietary fund, not just those acquired during the year presented.

SOUTHERN NEVADA WATER AUTHORITY
STATEMENT OF OPERATING REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY (UNAUDITED) (CONTINUED)

Fiscal Year Ending June 30	2009 (Restated)	2010 (Actual)	2011 (Budget)
Operating Revenues			
Wholesale Delivery Charge	\$ 112,551,974	\$ 110,097,368	\$ 120,366,471
Groundwater Program Revenues	2,047,626	872,104	914,795
Las Vegas Wash Revenues	690,000	342,820	397,407
Purveyor Admin Cost Billings	379,306	698,274	2,041,811
Other Revenues	2,648,858	2,563,872	-
Total Operating Revenues	<u>118,317,764</u>	<u>114,574,438</u>	<u>123,720,484</u>
Operating Expenses			
Personnel & Related	39,671,513	37,948,022	37,818,862
Electric Power	40,184,442	39,656,635	48,098,371
Operation and maintenance	73,498,943	37,293,827	42,168,341
Depreciation	61,143,048	69,499,630	65,000,000
Total Operating Expenses	<u>214,497,946</u>	<u>184,398,114</u>	<u>193,085,574</u>
Operating Loss	<u>(96,180,182)</u>	<u>(69,823,676)</u>	<u>(69,365,090)</u>
Non-operating Revenues/(Expense)			
Investment Income	10,709,321	1,374,146	1,821,466
Credit Payment Income		6,442,781	
Interest Expense	(64,366,759)	(67,231,511)	(81,251,311)
Amortization of Refunding Costs	(1,118,050)	(969,032)	-
Amortization of Bond Issue Costs, Premiums and Discounts	628,592	(1,936,089)	-
Gain/(Loss) on Sale of Assets	(753,735)	(5,051)	-
Total Non-operating Revenues/(Expense)	<u>(54,900,631)</u>	<u>(62,324,756)</u>	<u>(79,429,845)</u>
Net Loss Before Adjustments	(151,080,813)	(132,148,432)	(148,794,935)
Add Capital Contributions ^{1/}	<u>94,647,515</u>	<u>75,876,870</u>	<u>86,141,319</u>
Net Income	(56,433,298)	(56,271,562)	(62,653,616)
Fund Equity - Beginning of Year ^{2/3/}	<u>1,553,515,726</u>	<u>1,497,082,428</u>	<u>1,440,810,866</u>
Fund Equity - End of Year ^{2/3/}	<u>\$ 1,497,082,428</u>	<u>\$ 1,440,810,866</u>	<u>\$ 1,378,157,250</u>

1/ Includes Regional Connection Charges, Regional Commodity Charges and Regional Reliability Charges as well as other revenue sources. Amounts in years preceding 2008 reflect cash collections and have not been altered with contingency estimates. The budget column has also not been altered.

2/ Fund equity includes the value of all assets attributable to the proprietary fund, not just those acquired during the year presented.

3/ In accordance with GASB 34, the SNWA presents total Fund Equity rather than presenting Retaining Earnings. Fund Equity includes the value of all assets attributable to the proprietary fund, not just those acquired during the year presented.

SOUTHERN NEVADA WATER AUTHORITY
BUDGET SUMMARY AND COMPARISON - BUDGETARY BASIS (UNAUDITED)

Fiscal Year Ending June 30	2010 (Budget)	2010 (Actual)	2011 (Budget)
Operating Revenues			
Wholesale Delivery Charge	\$ 121,669,339	\$ 110,097,368	\$ 120,366,471
Groundwater Program Revenues	914,795	872,104	914,795
Las Vegas Wash Revenues	2,192,718	342,820	397,407
Purveyor Admin Cost Billings	2,648,332	698,274	2,041,811
Other Revenues		2,563,872	-
Total Operating Revenues	<u>127,425,184</u>	<u>114,574,438</u>	<u>123,720,484</u>
Operating Expenses			
Personnel & Related	37,681,386	37,948,022	37,818,862
Electric Power	40,200,893	39,656,635	48,098,371
Operation and maintenance	45,639,590	69,499,630	42,168,341
Depreciation	65,000,000	37,293,827	65,000,000
Total Operating Expenses	<u>188,521,869</u>	<u>184,398,114</u>	<u>193,085,574</u>
Operating Loss	<u>(61,096,685)</u>	<u>(69,823,676)</u>	<u>(69,365,090)</u>
Non-operating Revenues/(Expense)			
Investment Income	13,291,354	1,374,146	1,821,466
Credit Payment Income		6,442,781	
Interest Expense	(81,565,009)	(67,231,511)	(81,251,311)
Amortization of Refunding Costs	(1,350,000)	(969,032)	-
Amortization of Bond Issue Costs, Premiums and Discounts	230,000	(1,936,089)	-
Gain/(Loss) on Sale of Assets		(5,051)	-
Total Non-operating Revenues/(Expense)	<u>(69,393,655)</u>	<u>(62,324,756)</u>	<u>(79,429,845)</u>
Net Loss Before Adjustments	(130,490,340)	(132,148,432)	(148,794,935)
Add Capital Contributions ^{1/}	<u>83,859,809</u>	<u>75,876,870</u>	<u>86,141,319</u>
Net Income	(46,630,531)	(56,271,562)	(62,653,616)
Fund Equity - Beginning of Year ^{2/3/}	<u>1,503,692,793</u>	<u>1,497,082,428</u>	<u>1,440,810,866</u>
Fund Equity - End of Year ^{2/3/}	<u>\$ 1,457,062,262</u>	<u>\$ 1,440,810,866</u>	<u>\$ 1,378,157,250</u>

1/ Includes Regional Connection Charges, Regional Commodity Charges and Regional Reliability Charges as well as other revenue sources. 2010 actual Regional Connection Charges have been altered with a refund contingency.

2/ Fund equity includes the value of all assets attributable to the proprietary fund, not just those acquired during the year presented.

3/ In accordance with GASB 34, the SNWA presents total Fund Equity rather than presenting Retained Earnings. Fund Equity includes the value of all assets attributable to the proprietary fund, not just those acquired during the year presented.

**SOUTHERN NEVADA WATER AUTHORITY
ANNUAL WATER DELIVERED BY
THE SOUTHERN NEVADA WATER SYSTEM (UNAUDITED)
(Acre-Feet)**

Fiscal Year Ended June 30	Boulder		Las Vegas			Total Deliveries
	City	Henderson	Valley Water District	Nellis Air Force Base	North Las Vegas	
2001	10,251	56,983	323,184	1,596	38,799	430,813
2002	11,519	62,970	315,467	1,938	39,318	431,212
2003	13,098	66,507	314,447	2,465	43,079	439,596
2004	11,939	62,716	334,580	1,837	45,180	456,252
2005	10,367	62,473	298,261	1,938	43,096	416,135
2006	10,887	66,451	328,012	2,022	49,527	456,899
2007	11,239	69,738	344,200	2,682	55,436	483,295
2008	11,345	66,897	328,435	2,664	53,987	463,328
2009	11,121	64,611	301,854	1,800	51,306	430,692
2010	10,845	63,092	283,052	1,511	50,302	408,802

May be off slightly due to rounding

**SOUTHERN NEVADA WATER AUTHORITY
HISTORY OF WATER REVENUES (UNAUDITED)**

Fiscal Year Ending June 30	2006 (Actual)	2007 (Actual)	2008 (Actual)	2009 (Actual)
Operating Revenues				
Wholesale Delivery Charge	\$ 115,532,042	\$ 121,449,812	\$ 118,782,982	\$ 112,551,974
Regional Connection Charge ^{1/}	188,454,011	121,359,088	55,520,224	26,789,155
Regional Water Charges	14,213,843	18,829,058	18,777,117	18,791,878
Total Operating Revenues	318,199,896	261,637,958	193,080,323	158,133,007
Operating Expenses ^{2/}	127,683,290	124,192,960	136,503,638	153,354,897
SNWA Water Revenue	190,516,606	137,444,998	56,576,686	4,778,110
Annual Debt Service on the SNWA Superior Obligations	18,085,929	16,939,289	17,220,068	15,733,838
Remaining SNWA Water Revenues	172,430,677	120,505,709	39,356,618	(10,955,728)
Annual Debt Service on the SNWA Parity Obligations ^{3/4/5/}	63,161,697	59,479,895	63,570,384	69,571,885
Fiscal Year Ending June 30	2010 (Actual)			

Operating Revenues	
Wholesale Delivery Charge	\$ 110,097,368
Regional Connection Charge ^{1/}	5,309,547
Regional Water Charges	22,884,780
Total Operating Revenues	138,291,695
Operating Expenses ^{2/}	114,898,484
SNWA Water Revenue	23,393,211
Annual Debt Service on the SNWA Superior Obligations	13,596,088
Remaining SNWA Water Revenues	9,797,123
Annual Debt Service on the SNWA Parity Obligations ^{3/4/5/}	59,080,358

<p>FOOTNOTES</p> <p>1/ Regional Connection Charge revenues decreased significantly in 2008 through 2010 due to slowing sales of new connections. Cash collections for 2008 to 2010 have been further modified with refund contingency adjustments.</p> <p>2/ Excludes depreciation.</p> <p>3/ Excludes the debt service payable on the LVVWD's 2004 Commercial Paper Notes, currently outstanding in the principal amount of \$400,000,000.</p> <p>4/ Reduced by capitalized interest.</p> <p>5/ In addition to the SNWA Water Revenues, the SNWA may use other available moneys to pay debt service including but not limited to sales tax and a available fund balance.</p>
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INDEPENDENT AUDITORS' REPORT

**INDEPENDENT AUDITORS' 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**

Board of Directors
Southern Nevada Water Authority
Las Vegas, Nevada

We have audited the basic financial statements of the Southern Nevada Water Authority (SNWA) as of and for the year ended June 30, 2010, and have issued our report thereon dated November 16, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting. In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of SNWA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the SNWA's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described below, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

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. We consider the deficiency described below to be a material weakness.

A formal analysis of pending refunds related to cancelled projects was not performed to assess the likelihood that such refunds will be paid to developers. Accordingly, material refunds were recorded in the period in which they were paid, rather than in the period that the project was cancelled. As a result, current liabilities and capital contribution income were understated in the current fiscal year, while beginning net assets were overstated.

Board of Directors
Southern Nevada Water Authority
Las Vegas, Nevada

We recommend that control procedures be designed and implemented to provide reasonable assurance that pending refunds related to cancelled projects will be recorded in the period that the project was cancelled and the refund became likely.

SNWA's management has informed us that it intends to develop control policies and procedures to provide reasonable assurance that pending refunds related to cancelled projects will be recorded in the period that the project was cancelled and the refund became likely. We did not audit SNWA's response and, accordingly, we express no opinion on it.

Compliance and other matters. As part of obtaining reasonable assurance about whether SNWA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of SNWA in a separate letter dated November 16, 2010.

This report is intended for the information of SNWA management, members of the Board of Directors, others within SNWA, and federal awarding agencies and pass-through entities. However, this report is a matter of public record, and its distribution is not limited.


November 16, 2010