



SOUTHERN NEVADA WATER AUTHORITY®

COMPREHENSIVE ANNUAL **FINANCIAL REPORT**

Fiscal Year Ended June 30, 2013





SOUTHERN NEVADA WATER AUTHORITY

Comprehensive Annual Financial Report

Fiscal Year End June 30, 2013

Mary Beth Scow, Chairwoman, Las Vegas Valley Water District
Sam Bateman, Vice Chairman, City of Henderson
Susan Brager, Clark County Water Reclamation District
Bob Coffin, City of Las Vegas
Duncan McCoy, City of Boulder City
Steve Sisolak, Big Bend Water District
Anita Wood, City of North Las Vegas

Patricia Mulroy
General Manager

David Wright
Treasurer

Prepared by the Finance Department
Randall Buie, SNWA Controller
1001 South Valley View Blvd., Las Vegas, Nevada 89153
702-258-3939 www.snwa.com



SOUTHERN NEVADA WATER AUTHORITY

Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2013

Table of Contents

	Beginning on <u>Page No.</u>
Introductory Section	
Formal Transmittal of the CAFR	1-1
Profile of SNWA	1-3
Factors Affecting Financial Condition	1-3
SEC Requirement	1-6
Awards and Acknowledgments	1-7
Organization Chart	1-8
GFOA Certificate of Excellence	1-9
Financial Section	
Independent Auditors’ Report on Financial Statements & Supplementary Information.....	2-1
Management’s Discussion and Analysis	2-3
Basic Financial Statements	
Statement of Net Position	2-13
Statements of Revenues, Expenses and Changes in Net Position.....	2-15
Statements of Cash Flows	2-16
Notes to Basic Financial Statements	
Note 1. Summary of Significant Accounting Policies	2-17
Note 2. Cash and Cash Equivalents	2-21
Note 3. Investments	2-21
Note 4. Due from Member Agencies.....	2-25
Note 5. Receivables	2-25
Note 6. Other Current Assets.....	2-26
Note 7. Capital Assets	2-26
Note 8. Natural Resources Rights.....	2-28
Note 9. Construction in Progress	2-31
Note 10. Water Recharge Inventory	2-33
Note 11. Deferred Amount on Refundings	2-34
Note 12. Accounts Payable	2-34
Note 13. Commitments, Reserves and Contingencies	2-35
Note 14. Short-Term Debt	2-40
Note 15. Long-Term Debt.....	2-41
Note 16. Capital Contributions	2-52
Note 17. Risk Management.....	2-54
Note 18. Joint Venture	2-54
Note 19. Subsequent Events	2-55

Southern Nevada Water Authority
Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2013
Table of Contents (continued)

Statistical Section (unaudited)	<u>Beginning on Page No.</u>
Financial Trends Information	
Net Position.....	3-3
Changes in Net Position.....	3-4
Revenue Capacity Information	
Regional Connection Charges / Revenue Base / Principal Revenue Payers.....	3-7
Pending Regional Connection Charges Refund Contingency	3-9
Regional Connection Charges / Revenue Rates.....	3-11
Wholesale Delivery Charge / Revenue Base / Principal Revenue Payers	3-14
Wholesale Delivery Charge for Potable Water / Revenue Rates.....	3-15
Regional Infrastructure Surcharges / Revenue Base / Principal Revenue Payers.....	3-16
Regional Infrastructure Surcharges / Revenue Rates by Service Size.....	3-17
Debt Capacity Information	
Ratios of Outstanding Debt	3-18
Ratios of General Bonded Debt	3-19
Information about Debt Limitations and Pledged Revenue Coverage	3-20
Pledged Revenue Coverage	3-21
Demographic and Economic Information	
Demographic Statistics	3-24
Secured Tax Roll	3-25
Top Ten Employers.....	3-26
Building Permits Issued	3-27
Operating Information	
Full Time Equivalent Employees by Department / Function.....	3-28
Operating Indicators by Department / Function	3-29
Capital Asset Statistics by Department / Function.....	3-30
Lake Elevations by Quarter	3-31
Other Information	
Debt History.....	3-32
Schedule of Existing Debt Service	3-37
SEC Disclosure Compliance Schedules (unaudited)	
Outstanding Debt Obligations	4-1
Debt Service Requirements	4-3
Statement of Operating Revenues, Expenses and Changes in Net Position.....	4-4
Budget Summary and Comparison – Budgetary Basis	4-5
Annual Water Delivered by the Southern Nevada Water System.....	4-6
History of SNWA Pledged Revenues.....	4-6
History of Water Revenues	4-7
Independent Auditors’ Report on Internal Control and Compliance	
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 <i>Government Auditing Standards</i>	5-1

INTRODUCTORY SECTION



SOUTHERN NEVADA WATER AUTHORITY



SOUTHERN NEVADA WATER AUTHORITY

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

November 7, 2013

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

FORMAL TRANSMITTAL OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

We are pleased to present the Southern Nevada Water Authority's (SNWA) CAFR for the fiscal year ended June 30, 2013. 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 immediately following the report of the independent auditors.

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 governmental entity'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

This page left intentionally blank

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. SNWA also 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, and receives a portion of the ¼ cent 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 LVVWD Operations 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 were negatively impacted by the recent economic downturn, but conditions appear to be improving. According to calendar year 2012 statistics provided by the Las Vegas Convention and Visitors' Authority, the total visitor count to the Las Vegas metropolitan area was 39.7 million, up 2.1% from the previous year's volume. Approximately 43% of all Las Vegas visitors arrive by air via McCarran International Airport, an international port of entry and one of the busiest airports in the world.

A significant decrease in building permits over the past several years 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 properties and construction subject to the SNWA Regional Connection Charge improved in calendar 2012 but was still significantly lower than amounts from a decade ago. For calendar 2012 issued building permits increased 25.7% over calendar 2011. However 2012's issued permits were 73.0% lower than calendar 2004, the year in which the most permits were issued.

According to the U.S. Bureau of Census (Bureau), Clark County experienced a population increase of 36.6% during the decade of the 2000s, up from 1,428,689 in 2000 to 1,951,269 in 2010. The most recent estimate of Clark County population is 2,008,654 for 2012.

The employment outlook for the area has improved when compared to twelve months prior but is still affected by the current economic slowdown. Statistics from the Nevada Department of Employment, Training and Rehabilitation show that for the period from July 1, 2012 to June 30, 2013, the workforce in the Clark County area increased 0.3% from 991,956 to 994,789. Total employment rose 2.2% from 875,375 to 894,671. Clark County experienced a 10.1% unemployment rate as of June 30, 2013, down from 12.1% a year ago and representing a 16.5% decrease in unemployment over the twelve month period. While the percentage data is an improvement over last year, Clark County's unemployment rate continues to be higher than the national rate. The 10.1% rate is 32.9% higher than the national unemployment rate of 7.6%.

Median home prices are recovering in the area but are still depressed compared to recent years. The median price for a home in the Las Vegas metropolitan area in 1995 was \$125,100. The price peaked in 2006 at about \$316,000 and was \$175,000 in June 2013. Although this is 44.6% below the peak price, it shows a robust 32.8% gain over last year's median price of \$131,785.

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, 2013, SNWA has \$3.4 billion in outstanding general obligation debt (see Notes 14 and 15 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 likely be higher.

Bond ratings as of June 30, 2013, for the four organizations listed above are –

	Standard Moody's & Poor's	
LVVWD	Aa2	AA+
State of Nevada	Aa2	AA
Clark County	Aa1	AA+
SNWA	N/A	A+
LVVWD Commercial 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 administrative 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 projected expenses.

SNWA regards its cash reserves as a critical component of its fiscal health and a criteria for an above average bond rating. Cash reserves are monitored regularly and revenue shortfalls are managed through a combination of methods. 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 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 continually 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 47 percent of capacity as of June 2013.

If the elevation of Lake Mead drops to approximately 1,062 feet, SNWA’s upper Colorado River water intake (Intake No. 1) will become inoperable. Anticipating the loss of Intake No. 1, SNWA began planning Intake No. 3 in 2006 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.
- Continuation of conservation education and incentive programs to maximize available water supplies.
- Continuation of 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.
- Continuation of Lake Mead Intake No. 3 construction to protect Southern Nevada from the effects of prolonged drought conditions on the Colorado River.
- Securing all necessary permitting for the Groundwater Development Project in northeast Nevada.
- Construction of a connector tunnel on Intake No. 1 allowing the intake to deliver water at lower elevations and to provide better quality water when Intake No. 3 is completed.

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

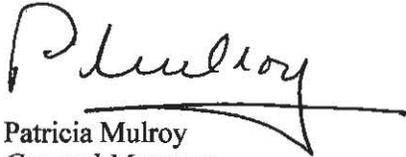
The GFOA awarded the Certificate of Achievement for Excellence in Financial Reporting to SNWA for its CAFR for the fiscal year ended June 30, 2012. This was the seventeenth consecutive year that SNWA has achieved this prestigious award.

In order to be awarded the Certificate of Achievement for Excellence in Financial Reporting, 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.

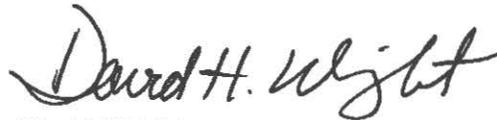
The Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current CAFR continues to meet the program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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,

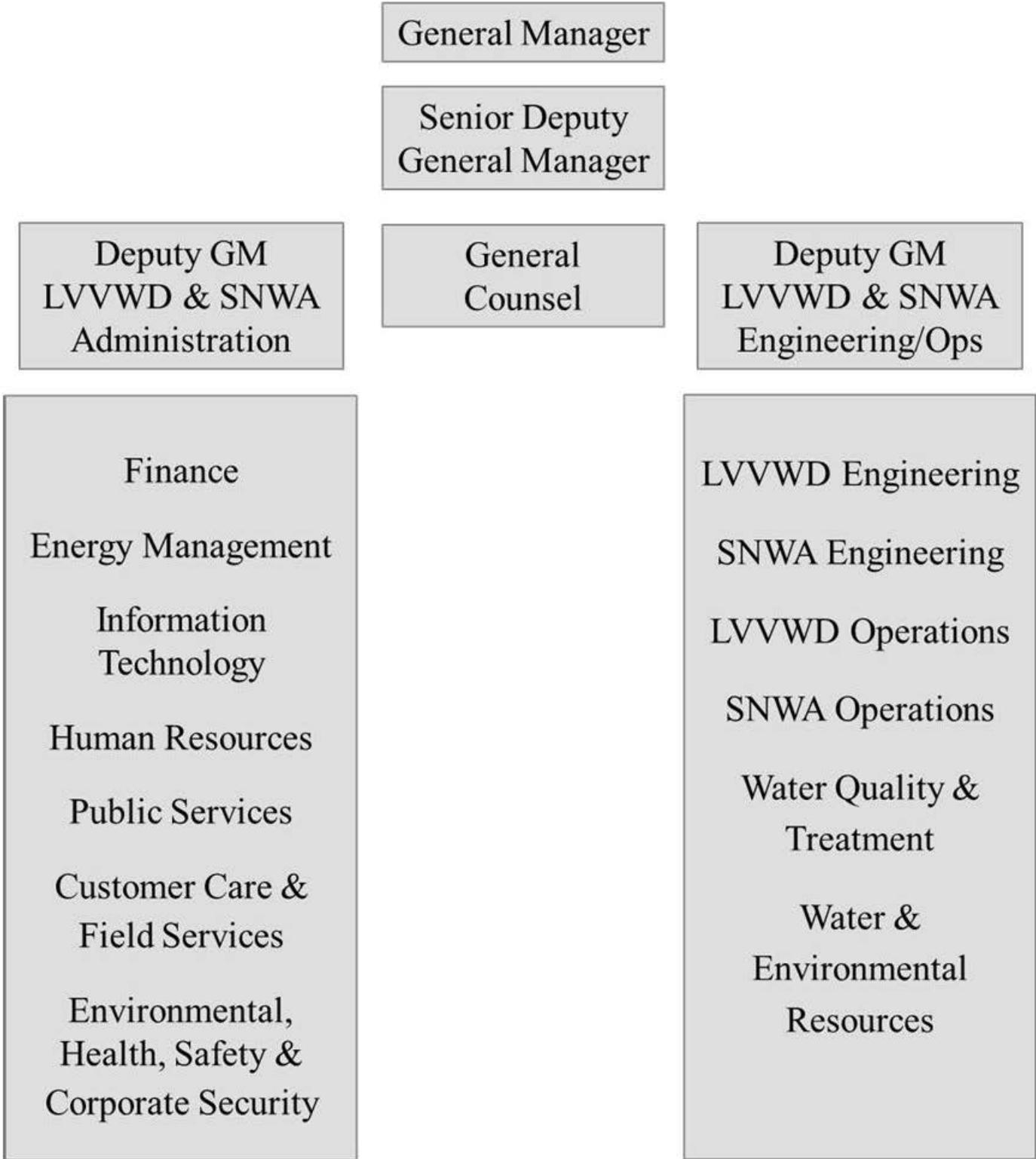


Patricia Mulroy
General Manager



David Wright
Treasurer

ORGANIZATION CHART





Government Finance Officers Association

**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, 2012

Executive Director/CEO

This page left intentionally blank

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 financial statements of the Southern Nevada Water Authority (SNWA) as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise SNWA's basic financial statements as listed in the table of contents.

An audit performed in accordance with applicable professional standards is a process designed to obtain reasonable assurance about whether SNWA's basic financial statements are free from material misstatement. This process involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to SNWA's preparation and fair presentation of the basic financial statements to enable the design of 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the basic financial statements.

Management's Responsibility for the Financial Statements. Management is responsible for the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility. Our responsibility is to express an opinion on the basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 basic financial statements are free from material misstatement.

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

Opinion. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of SNWA as of and for the years ended June 30, 2013 and 2012, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

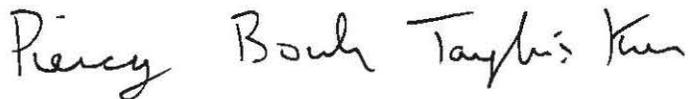
Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our

inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information. Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise SNWA's basic financial statements. The introductory section, other supplementary information, as listed in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*. In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2013, 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* in considering SNWA's internal control over financial reporting and compliance.



Las Vegas, Nevada
November 7, 2013

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis
For the fiscal years ended June 30, 2013, and 2012

The management of the Southern Nevada Water Authority (SNWA), provides readers this narrative overview and analysis of the financial statements for the fiscal years ended June 30, 2013 and 2012. 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 2013

- Total assets increased \$451 million over the prior year totaling approximately \$5.0 billion.
- Total liabilities increased \$361 million over the prior year totaling approximately \$3.6 billion.
- Total deferred outflows of resources decreased \$2.8 million over the prior year totaling approximately \$38.2 million.
- Total assets and deferred outflows of resources exceed total liabilities at the close of the fiscal year by approximately \$1.4 billion (net position). Net position increased during the fiscal year by approximately \$87.4 million.
- During the fiscal year, major balance sheet resources were generated from an increase in long-term liabilities (\$349.0 million) and other liabilities (\$11.6 million) arising from the issuance of new debt, a decrease in to deferred outflow of resources (\$2.8 million) and an increase in net position (\$87.4 million). Major balance sheet resources were used during the fiscal year for additions to current and other assets (\$324.0 million) arising mainly from unspent bond proceeds and collections of capital contributions, and net additions to capital assets (\$126.8 million).
- In fiscal 2013, SNWA participated in two debt issues. LVVWD 2012B was issued by the Las Vegas Valley Water District (LVVWD) with a par value of \$360.0 million. The issue generated funds for future construction projects. The bond will add \$692.3 million in aggregate debt service (\$399.2 million in present value terms) while increasing annual debt payments by \$23.6 million at its peak. SNWA 2013A was issued by the Clark County, Nevada bond bank for a par value of \$21.7 million. The issue fully refunded SNWA 1998 and will save SNWA approximately \$6.7 million (\$5.1 million in present value terms).

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 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 years ended June 30, 2013, and 2012

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. Information included in the Management's Discussion and Analysis is at a summary level while the notes to the basic financial statements are required to achieve a full understanding of the company's financial position. 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 net position, which is the difference between assets and liabilities. Changes in net position over time may serve as a useful indicator of financial health. The condensed balance sheets below show the net position of SNWA for the fiscal years ended June 30, 2013, 2012 and 2011.

Southern Nevada Water Authority Enterprise Fund Condensed Statement of Net Position June 30, 2013, 2012 and 2011 (In Millions)

	June 30, 2013	Change	June 30, 2012	Change	June 30, 2011
Capital Assets	\$ 4,247.3	\$ 126.8	\$ 4,120.5	\$ 115.8	\$ 4,004.7
Current and Other Assets	744.3	324.0	420.3	(131.2)	551.5
Total Assets	4,991.6	450.8	4,540.8	(15.4)	4,556.2
Deferred Outflow of Resources	38.2	(2.8)	41.0	18.9	22.1
Total Assets and Deferred Outflow of Resources	\$ 5,029.8	\$ 448.0	\$ 4,581.8	\$ 3.5	\$ 4,578.3
Long-Term Liabilities	\$ 3,100.7	\$ 349.0	\$ 2,751.7	\$ 20.4	\$ 2,731.3
Other Liabilities	504.8	11.6	493.2	(13.4)	506.6
Total Liabilities	3,605.5	360.6	3,244.9	7.0	3,237.9
Net Position					
Invested in Capital Assets, Net of Related Debt	1,002.3	7.1	995.2	32.4	962.8
Restricted for Debt Service / Capital Assets	15.1	(7.6)	22.7	9.7	13.0
Unrestricted	406.9	87.9	319.0	(45.6)	364.6
Total Net Position	1,424.3	87.4	1,336.9	(3.5)	1,340.4
Total Liabilities and Net Position	\$ 5,029.8	\$ 448.0	\$ 4,581.8	\$ 3.5	\$ 4,578.3

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis

For the fiscal years ended June 30, 2013, and 2012

Total assets increased approximately \$450.8 million (9.9%) in fiscal 2013 and decreased approximately \$15.4 million (0.3%) in fiscal 2012. The 2013 increase was fueled primarily by the accumulation of unspent bond proceeds and a stronger collection of capital contribution items. The 2012 decrease was fueled primarily by SNWA using accumulated fund balance (i.e. cash, cash equivalents and investments) to pay regular annual debt service. Fund balance was accumulated in prior years intentionally to provide funds in years where other revenues were not sufficient to cover expenses. For fiscal 2013 capital assets increased (\$126.8 million, 3.1%) as well as current and other assets (\$324.0 million, 77.1%). For fiscal 2012 capital assets increased (\$115.8 million, 2.9%) while current and other assets decreased (\$131.2 million, 23.8%). See Note 7 for further discussion of capital assets.

Total deferred outflows of resources decreased approximately \$2.8 million (6.8%) in fiscal 2013 and increased \$18.9 million (85.5%) in fiscal 2012. SNWA was not extremely active in the bond market in fiscal 2013. The decrease in this account, therefore, was the result of average amortization of the deferred amount of refundings. Deferred refundings increased in fiscal 2012 because of SNWA's activity in refunding and restructuring existing bond issues.

Total liabilities increased approximately \$360.6 million (11.1%) in fiscal 2013 and increased approximately \$7.0 million (0.2%) in fiscal 2012. In fiscal 2013 long-term liabilities increased (\$349.0 million, 12.7%) as did other liabilities (\$11.6 million, 2.4%). A July 2012 new money bond issue increased both categories of liabilities. In fiscal 2012 long-term liabilities increased \$20.4 million (0.7%) while other liabilities decreased \$13.4 million (2.6%). The major cause for both of these movements was bond refunding and restructuring activity.

Fund equity increased \$87.4 million (6.5%) in fiscal 2013 and decreased \$3.5 million (0.3%) in fiscal 2012. Fund equity in 2013 benefited from increased connection charge collections, sales tax collections and the SNWA Infrastructure Surcharge which was introduced in February 2012. The fiscal 2012 decrease was due primarily to the utilization of fund equity to cover annual debt service.

The chart on the following page summarizes the statements of revenues, expenses and changes in fund equity for the fiscal years ended June 30, 2013, 2012 and 2011.

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 such as 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 \$1.7 million (1.4%) in fiscal 2013 and decreased \$0.3 million (0.3%) in fiscal 2012. In fiscal 2013 SNWA sold 5,710 (1.4%) fewer acre-feet than in fiscal 2012 accounting for the entire variance. In fiscal 2012 SNWA sold 15,244 (3.6%) fewer acre-feet than in fiscal 2011 mainly due to SNWA's short-term curtailment of the artificial recharge program. However a \$10 increase in the price per acre-foot of wholesale water helped minimize the overall decrease.

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis
For the fiscal years ended June 30, 2013, and 2012

Southern Nevada Water Authority Enterprise Fund Condensed Statements of Revenue, Expenses, and Changes in Net Position For the Fiscal Years Ended June 30, 2013, 2012 and 2011 (In Millions)

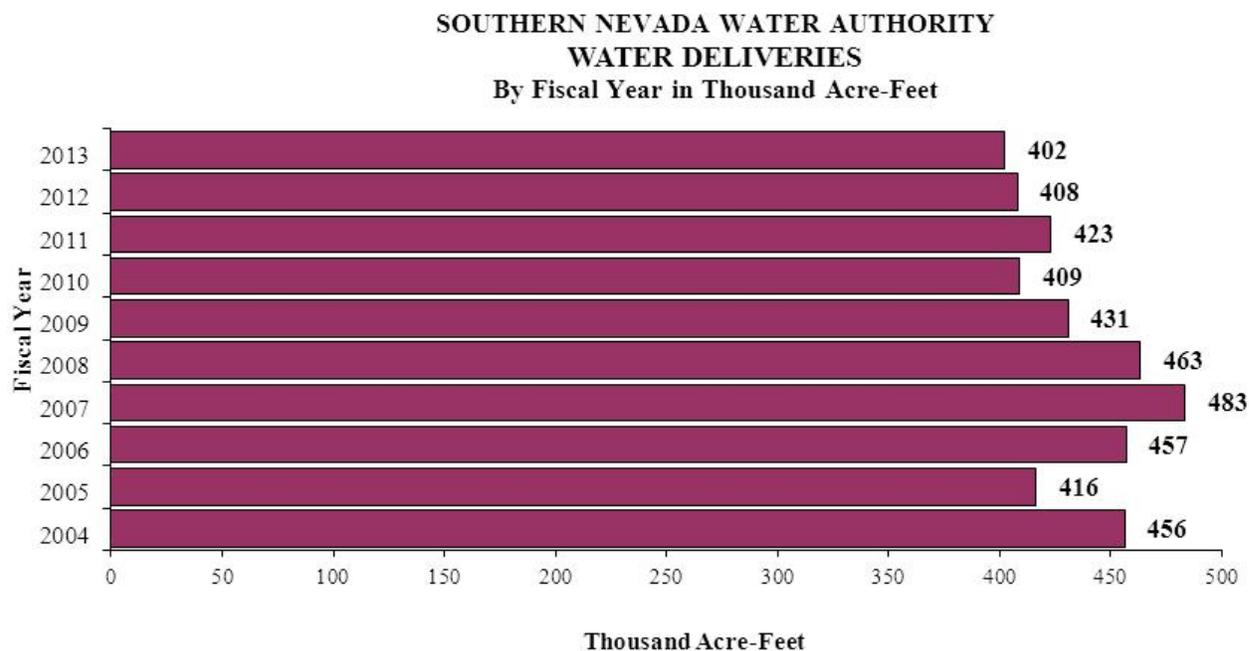
	June 30, 2013	Change	June 30, 2012	Change	June 30, 2011
Operating Revenues					
Wholesale Delivery Charges	\$ 117.5	\$ (1.7)	\$ 119.2	\$ (0.3)	\$ 119.5
Other Revenues	5.2	0.9	4.3	(0.3)	4.6
Total Operating Revenues	122.7	(0.8)	123.5	(0.6)	124.1
Nonoperating Revenues					
Credit Payment Income	10.3	(0.6)	10.9	-	10.9
Investment Income	0.7	(0.1)	0.8	(0.2)	1.0
Total Nonoperating Revenues	11.0	(0.7)	11.7	(0.2)	11.9
Total Revenues	133.7	(1.5)	135.2	(0.8)	136.0
Operating Expenses					
Personnel and Related	43.9	0.4	43.5	1.0	42.5
Energy	36.3	(8.2)	44.5	8.5	36.0
Depreciation	74.9	-	74.9	0.5	74.4
Operating and Maintenance	27.9	(9.8)	37.7	3.3	34.4
Total Operating Expenses	183.0	(17.6)	200.6	13.3	187.3
Total Nonoperating Expenses	69.2	(4.6)	73.8	(8.9)	82.7
Total Expenses	252.2	(22.2)	274.4	4.4	270.0
Loss Before Capital Contributions	(118.5)	20.7	(139.2)	(5.2)	(134.0)
Capital Contributions	205.9	70.2	135.7	42.6	93.1
Increase (Decrease) in Net Position	87.4	\$ 90.9	(3.5)	\$ 37.4	(40.9)
Net Position, Beginning of Year	\$ 1,336.9		\$ 1,340.4		1,381.3
Net Position End of Year	\$ 1,424.3		\$ 1,336.9		\$ 1,340.4

May be off slightly due to rounding

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis
For the fiscal years ended June 30, 2013, and 2012

The chart below graphically shows water delivery volume over the past ten fiscal years.



The \$0.7 million (6.0%) decrease in nonoperating revenues for fiscal 2013 and the \$0.2 million (1.7%) decrease in nonoperating revenues for fiscal 2012 reflects lower returns on investments due to a soft investment market.

The \$0.4 million (0.9%) increase in personnel and related expenses in fiscal 2013 mainly reflects the annual cost-of-living adjustment received by SNWA employees. However its financial impact was lessened by a reduction of staff. SNWA reviews any position that becomes vacant because of retirement, promotion, or other reasons to determine if the position needs to be filled immediately or whether the hiring can be delayed. The \$1.0 million (2.4%) increase in personnel and related expenses in fiscal 2012 mainly reflects the annual cost-of-living adjustment received by SNWA employees. During both fiscal years SNWA reduced its number of full-time equivalent positions. The company consistently reviews methods for reducing personnel expenses whenever possible.

Energy costs decreased \$8.2 million (18.4%) in fiscal 2013 and increased \$8.5 million (23.6%) in fiscal 2012. In fiscal 2013 SNWA used slightly more megawatt hours (MWh) (0.6%). Additional energy is normally needed to draw water from lower levels as the lake level falls. However the cost per MWh decreased substantially, (18.8%) reflecting an improved power trading market. In fiscal 2012 SNWA used fewer MWh (3.3%) due to the reduced water sales previously discussed but had to pay more per MWh (27.9%) mainly because of uncertainty in the natural gas market throughout the year. Energy is a significant cost of doing business and SNWA aggressively attempts to keep the unit cost of power as low as possible.

Depreciation expense for fiscal 2013 remains at fiscal 2012 levels. The slight increase in depreciation for fiscal 2012 of \$0.5 million (0.7%) is a function of adjustments in property, plant and equipment and a reappraisal of capitalization guidelines.

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis
For the fiscal years ended June 30, 2013, and 2012

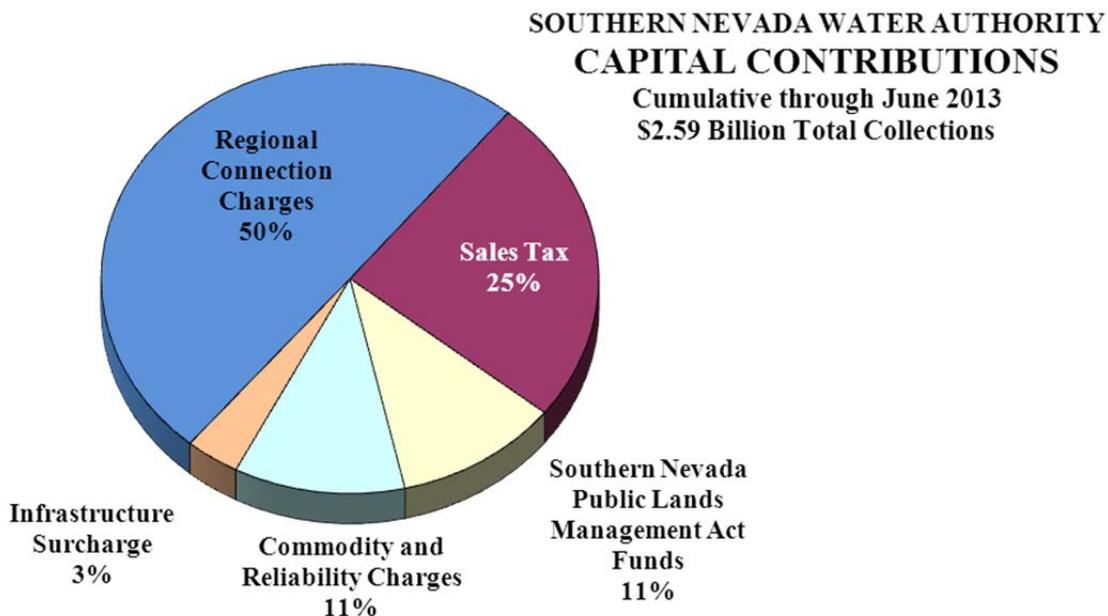
Operating and maintenance expenses decreased \$9.8 million (26.0%) in fiscal 2013. SNWA continually reviews expenses to determine if there are areas where costs can be saved or avoided. In fiscal 2013, SNWA used in-house labor to perform tasks previously performed by outside consultants and professionals. In addition, the lower water sales permitted SNWA to use a lesser amount of purifying chemicals and other water treatment consumables. In fiscal 2012 operating and maintenance expenses increased \$3.3 million (9.6%) fueled mainly by increases in professional, research and development expenditures.

Nonoperating expenses decreased \$4.6 million (6.2%) and \$8.9 million (10.8%) in fiscal 2013 and 2012, respectively. SNWA has been rigorously refunding and restructuring its outstanding debt. This has resulted in lower interest rates and thus lower interest expense. SNWA's bond staff and financial advisers regularly review SNWA's debt portfolio to identify opportunities to minimize interest expense.

Capital contributions are revenues SNWA receives to fund its \$4.8 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 (which also funds the Las Vegas Wash Capital Plan), (3) the Southern Nevada Public Lands Management Act (SNPLMA) funds, (4) the regional commodity charge, (5) the regional reliability charge, (6) the regional infrastructure surcharge, and (7) various other small charges.

Capital contributions increased by \$70.2 million (51.7%) in fiscal 2013. Collections of sales tax, regional connection charge and regional commodity charge increased during the fiscal year. In addition, SNWA was able to collect the regional infrastructure surcharge for an entire year. The Board approved the new infrastructure charge in February 2012. This new capital source is charged on retail bills based on meter size. Capital contributions increased by \$42.6 million (45.8%) in fiscal 2012. Collections of sales tax, regional connection charge and regional commodity charge increased during the fiscal year. The regional infrastructure charge was collected for three months in fiscal 2012. See Note 16 for a summary of Capital Contributions.

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



SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis
For the fiscal years ended June 30, 2013, and 2012

Capital Asset and Debt Administration

Capital Assets. SNWA's investment in capital assets as of June 30, 2013, amounted to approximately \$4.2 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. Major construction expenditures in fiscal 2013 totaled approximately \$108.5 million. Contract commitments total approximately \$191.9 million. See Note 7 to the basic financial statements for additional information on the types and values of SNWA's capital assets.

Debt Administration. At the end of fiscal 2013, SNWA had general obligation debt totaling approximately \$3.4 billion. Details concerning all debt issues can be found in Notes 14 and 15 to the basic financial statements.

In July 2012, LVVWD on behalf of SNWA issued \$360.0 million of par value general obligation bonds. Proceeds were deposited in SNWA's capital fund for future capital projects. The bonds were sold at par with an offering premium of \$40.0 million and had a true interest cost of 3.93%. The issue will add \$692.3 million in total debt payment requirements equating to a \$399.2 million in present value terms. Annual debt service will increase \$23.6 million at the issue's peak payment.

In February 2013, the State of Nevada on behalf of SNWA issued \$21.7 million of par value general obligation bonds. Proceeds from the issue fully refunded one outstanding issue. The bonds were sold at par with a \$0.1 million offering premium and had a true interest cost of 3.01%. The new issue will save \$6.7 million over its life equating to a \$5.1 million gain in present value terms.

Economic Factors and Next Year's Goals

SNWA's financial outlook continues to remain satisfactory. The Las Vegas area was one of the hardest hit regions of the country during the recent recession. However, the local economy is gradually improving. The 2008 recession was the first time in decades that the Las Vegas area has experienced a sustained period of little or no growth. As a result, there was very limited demand for new service connections within the SNWA service area. Growth has returned to the area but its level is far less that Las Vegas experienced in the 1990s and early 2000s. 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 has been awarded an investment grade credit rating of "A+" by Standard & Poor's. With few exceptions, construction of the \$4.8 billion MSCP is on schedule and within budget.

Currently, the major concerns for southern Nevada continue to be the multi-year drought affecting the Colorado River basin and the ongoing recession. Water levels in Lake Mead have declined approximately 108 feet (8.1%) since 2000. This water level decrease has equated to a reduction in the volume of water stored in Lake Mead to approximately 47 percent of capacity as of June 2013. 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 acre feet net consumptive allocation. In response, SNWA has taken steps to develop in-state water resources and is currently constructing a third intake into Lake Mead.

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis
For the fiscal years ended June 30, 2013, and 2012

Given conditions in the current financial markets, obtaining timely and affordable financing for large capital projects such as these is challenging. SNWA's strong bond ratings as well as its experienced financial staff gives the company a unique edge in financial markets that will help support the advancement of these goals.

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 additional financial information should be addressed to:

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

The CAFR can also be viewed at www.snwa.com which also contains financial and operational information pertaining to SNWA as well as helpful information concerning conservation and water issues.

BASIC FINANCIAL STATEMENTS



Southern Nevada Water Authority
Enterprise Fund
Statement of Net Position

	June 30,	June 30,
Assets	2013	2012
Current Assets - Restricted		
Cash and Cash Equivalents		\$ 998,258
Investments	\$ 256,562,585	-
Sales Tax Receivable	13,917,603	13,264,923
Total Current Assets - Restricted	<u>270,480,188</u>	<u>14,263,181</u>
Current Assets - Unrestricted		
Cash and Cash Equivalents	96,655,866	89,011,675
Investments	211,978,725	147,240,709
Due From Member Agencies	37,452,834	40,490,774
Other Receivables	3,005,150	8,561,566
Other Current Assets	38,300,443	34,588,731
Total Current Assets - Unrestricted	<u>387,393,018</u>	<u>319,893,455</u>
Total Current Assets	<u>657,873,206</u>	<u>334,156,636</u>
Capital Assets		
Capital Assets Subject to Depreciation		
Property, Plant and Equipment	2,995,845,393	2,967,380,529
Accumulated Depreciation	<u>(940,457,725)</u>	<u>(866,026,036)</u>
Net Capital Assets Subject to Depreciation	<u>2,055,387,668</u>	<u>2,101,354,493</u>
Capital Assets Not Subject to Depreciation		
Land	92,248,192	92,271,442
Natural Resources Rights	391,792,304	389,961,251
Construction Work in Progress	<u>1,707,861,690</u>	<u>1,536,891,327</u>
Net Capital Assets Not Subject to Depreciation	<u>2,191,902,186</u>	<u>2,019,124,020</u>
Total Net Capital Assets	4,247,289,854	4,120,478,513
Other Noncurrent Assets		
Water Recharge Inventory	<u>86,423,098</u>	<u>86,207,102</u>
Deferred Outflows of Resources		
Deferred Amount on Refundings	<u>38,181,345</u>	<u>40,998,258</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 5,029,767,503</u>	<u>\$ 4,581,840,509</u>

The accompanying notes are an integral part of these financial statements

Southern Nevada Water Authority
Enterprise Fund
Statement of Net Position

Liabilities and Fund Equity	June 30, 2013	June 30, 2012
Current Liabilities		
Accounts Payable	\$ 50,834,146	\$ 55,832,751
Accrued Interest Payable	15,008,127	13,358,032
Capitalized Interest Payable	17,015,050	
Pending Regional Connection Charge Refunds	5,043,115	8,916,511
Current Portion of Notes Payable	1,205,919	1,164,283
Current Portion of Bonds Payable	15,666,540	13,966,540
Short Term Debt Payable	400,000,000	400,000,000
Total Current Liabilities	504,772,897	493,238,117
Long-Term Liabilities		
Notes Payable, Net of Current Portion	9,207,366	10,413,285
Bonds Payable, Net of Current Portion, Unamortized Premiums and Discounts	3,091,474,683	2,741,255,255
Total Long-Term Liabilities	3,100,682,049	2,751,668,540
Total Liabilities	3,605,454,946	3,244,906,657
Net Position		
Invested in Capital Assets, Net of Related Debt	1,002,302,170	995,159,156
Restricted for Debt Service / Capital Assets	15,122,934	22,736,730
Unrestricted	406,887,453	319,037,966
Total Fund Equity	1,424,312,557	1,336,933,852
Total Liabilities and Net Position	\$ 5,029,767,503	\$ 4,581,840,509

The accompanying notes are an integral part of these financial statements

Southern Nevada Water Authority
Enterprise Fund
Statements of Revenues, Expenses and Changes in Net Position
For the Fiscal Years ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating Revenues		
Wholesale Delivery Charges	\$ 117,534,578	\$ 119,239,660
Groundwater Management Fees	863,417	867,716
Administration Costs Recoveries	383,443	318,886
Las Vegas Wash Revenues	397,708	397,407
Other Revenues	3,525,867	2,705,745
Total Operating Revenues	<u>122,705,013</u>	<u>123,529,414</u>
Operating Expenses		
Personnel and Related	43,880,414	43,450,464
Energy	36,347,165	44,527,798
Depreciation	74,943,316	74,918,789
Operating and Maintenance	27,943,415	37,685,150
Total Operating Expenses	<u>183,114,310</u>	<u>200,582,201</u>
Operating Loss	<u>(60,409,297)</u>	<u>(77,052,787)</u>
Nonoperating Revenues (Expenses)		
Investment Income	740,407	869,505
Credit Payment Income	10,316,798	10,867,008
Interest Expense	(64,010,853)	(67,567,023)
Amortization of Refunding Costs	(2,926,272)	(2,254,389)
Bond Issue and Commercial Paper Costs	(5,606,185)	(7,264,123)
Amortization of Bond Premiums and Discounts	3,291,755	3,211,357
Other	63,295	37,112
Total Nonoperating Revenues (Expenses)	<u>(58,131,055)</u>	<u>(62,100,553)</u>
Loss Before Capital Contributions	(118,540,352)	(139,153,340)
Capital Contributions	205,919,057	135,679,772
Net Income (Loss)	<u>87,378,705</u>	<u>(3,473,568)</u>
Net Position - Beginning of Year	1,336,933,852	1,340,407,420
Net Position - End of Year	<u>\$ 1,424,312,557</u>	<u>\$ 1,336,933,852</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, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities:		
General and Administrative / Resources Charges	\$ 1,629,728	\$ 1,179,012
Groundwater Management Fees	863,417	867,716
Las Vegas Wash Revenues	397,708	397,407
Wholesale Delivery Charges	120,996,382	114,883,588
Other Revenues	2,273,173	2,102,013
Cash Payments to Suppliers of Goods and Services	<u>(95,395,415)</u>	<u>(118,462,066)</u>
Net Cash Provided by Operating Activities	<u>30,764,993</u>	<u>967,670</u>
Cash Flows from Capital and Related Financing Activities:		
Purchase or Construction of Capital Assets	(125,231,706)	(133,490,427)
Proceeds from Disposal of Property and Equipment	66,212	45,163
Proceeds of Debt Issuance	360,000,000	4,832,439,536
Principal Paid on Debt	(15,130,824)	(4,850,140,752)
Interest Paid on Debt	(124,023,036)	(140,829,557)
Capital Contributions	190,995,018	115,188,720
Credit Payment Income	<u>10,394,293</u>	<u>10,867,008</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>297,069,957</u>	<u>(165,920,309)</u>
Cash Flows from Investing Activities:		
Purchases of Investment Securities	(1,011,501,617)	(176,011,316)
Proceeds from Sales or Maturities of Investment Securities	685,963,512	55,250,000
Investment Earnings	<u>4,349,088</u>	<u>761,815</u>
Net Cash Used in Investing Activities	<u>(321,189,017)</u>	<u>(119,999,501)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	6,645,933	(284,952,140)
Cash and Cash Equivalents, Beginning of Year	<u>90,009,933</u>	<u>374,962,073</u>
Cash and Cash Equivalents, End of year	<u>\$ 96,655,866</u>	<u>\$ 90,009,933</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities		
Operating Loss	\$ (60,409,297)	\$ (77,052,787)
Depreciation	74,943,316	74,918,789
Operating Expenses Paid by Contributed Capital	11,886,752	11,470,927
Changes in Assets and Liabilities		
(Increase)/Decrease in Due from Member Agencies	3,279,032	(3,555,151)
(Increase)/Decrease in Other Receivables	6,926,362	(1,359,944)
(Increase) in Other Current Assets	(3,711,712)	(16,639,142)
(Increase)/Decrease in Water Recharge Inventory	(215,996)	121,100
Increase/(Decrease) in Accounts Payable	<u>(1,933,464)</u>	<u>13,063,878</u>
Net Cash Provided by Operating Activities	<u>\$ 30,764,993</u>	<u>\$ 967,670</u>
Non-Cash Investing, and Capital and Related Financing Activities		
Changes in Fair Value of Investments	\$ (408,235)	\$ 137,052
Deferred (Gain)/Loss on Refunded Bonds	109,358	(1,457,210)
Refunding Bonds Issued	(21,720,000)	(482,480,000)
Bonds Refunded	21,350,000	471,513,333
Contributed Capital	(3,037,287)	(9,020,125)

The accompanying notes are an integral part of these financial statements

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

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 and a facilities and operations 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, Clark County Water Reclamation District, and Las Vegas Valley Water District (LVVWD). The cooperative agreement was last amended in 2005. The facilities and operations agreement was last amended in 2012.

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, 2013.

Operating Agent (LVVWD) (Related Party Disclosure)

The Board has the responsibility to appoint a General Manager. The Board designated LVVWD's General Manager as the General Manager of SNWA in 1993. Simultaneously LVVWD was named the operating agent for SNWA.

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). In 2008, SNWA advanced a total of \$19 million to LVVWD to fund future SNWA-related operating expenses made on its behalf. The advance is replenished monthly and will be applicable throughout SNWA's and LVVWD's operating agent relationship. SNWA also pays any large recurring expense that it deems would be detrimental to LVVWD's cash flow.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

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.

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 2-8.

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

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

transactions and events as of the date of the basic financial statements. Actual results could differ significantly from those estimates.

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, certificates of deposit and investment grade corporate commercial paper. Investments with maturity dates of less than one year when purchased are stated at par. Premiums and discounts are amortized over the remaining life of the investment instrument. 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 and a portion of sales tax proceeds which are externally restricted by bond covenants.

Inventories

Inventories are recorded at lower of cost or market based on periodic reviews. 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:

Structures 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 / Equipment	5 to 10	Years
Power Plant	30	Years
Northern Resource Assets	5 to 27.5	Years

Revenues

Operating revenues include wholesale delivery charges, groundwater management fees, administration cost recoveries, Las Vegas Wash fees and other ancillary revenues. The wholesale delivery charge, which for the year ended June 30, 2013, was \$293 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

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

maintenance of SNWS, as well as SNWA administration. SNWA also charged \$226 per AF for raw Colorado River water delivered to the city of Boulder City for use on golf courses. For the fiscal year ended 2013, groundwater management fees consist of an annual fee of \$13 per AF of permitted groundwater rights or \$13 per domestic well. Administration cost recoveries 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 Vegas Wash fees consist of contributions from other local governments towards operating costs of the Las Vegas Wash Coordination Committee. Other revenues consist primarily of sales made from SNWA's northern resource properties' activities.

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

Expenses

Operating expenses include the costs of personnel allocations from LVVWD, energy costs, 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 amount on debt refundings and discounts.

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. See Note 13 for further information.

Water Rights Holding Company

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

Restatement and Reclassifications

Certain minor reclassifications have been made to fiscal 2012 amounts to conform to the fiscal 2013 presentation.

New Accounting Pronouncements

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. The requirements for Statement 69 are effective for periods beginning after December 15, 2013 and should be applied on a prospective basis. Early application of the standard is encouraged. In general, Statement No. 69 is intended to improve accounting and financial reporting for US state and local governments' combinations and disposals of government operations. SNWA has no

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

immediate plans for combinations or disposals of such operations so there will be no immediate impact to SNWA's financial position, results of operation, or cash flows.

In April 2013, the GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The requirements of Statement 70 are effective for reporting periods beginning after June 15, 2013. Early application of the standard is encouraged. In general, Statement 70 is intended to provide accounting and financial reporting guidance to state and local governments that offer nonexchange financial guarantees and for governments that receive guarantees on their obligations. It requires a state or local government guarantor that offers a nonexchange financial guarantee to another organization or government to recognize a liability on its financial statements when it is more likely than not that the guarantor will be required to make a payment to the obligation holders under the agreement. SNWA currently does not offer or receive nonexchange financial guarantees where payments are likely required. Therefore Statement No. 70 is not expected to have an immediate impact to 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. Cash balances as of June 30, 2013 and 2012, were \$96,655,866 and \$90,009,933 respectively. The corresponding unreconciled SNWA bank balances as of June 30, 2013, and 2012, were \$11,198,575 and \$67,495,869 respectively. LVWWD held \$85,864,560 and \$23,446,247 of the funds as of June 30, 2013 and June 30, 2012 respectively.

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. SNWA complies with NRS 355.170, which governs permitted investments for "local governments" and includes –

- Bonds, debentures, bills, and notes of the United States, the maturity of which do not extend more than 10 years after the date of purchase,
- Farm loan bonds, consolidated farm loan bonds, debentures, consolidated debentures and other obligations issued by federal land banks and federal intermediate credit banks under the authority of the Federal Farm Loan Act and bonds debentures, consolidated debentures and

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

other obligations issued by banks for cooperatives under the authority of the Farm Credit Act of 1933,

- Obligations of United States agencies or instrumentalities or corporations sponsored by the government, not to exceed ten years maturity after the date of purchase,
- 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,
- Negotiable certificates of deposit issued by commercial banks, insured credit unions or savings and loan associations,
- Non-negotiable certificates of deposit issued by insured commercial banks, insured credit unions, or insured savings and loan associations, except certificates that are not within the limits of insurance provided by an instrumentality of the United States, unless those certificates are collateralized in the same manner as is required for uninsured deposits,
- Negotiable notes medium-term obligations issued by local governments of the State of Nevada (NRS 350.007 defines "Medium-term obligation" as one to nine years),
- Obligations of the Federal Agricultural Mortgage Corporation, and
- Obligations of state and local governments rated "A" or higher if interest is tax exempt.

As required by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, 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 Mellon Trust Company where SNWA has an investment custody account. The Bank of New York Mellon Trust Company acts as an agent for SNWA. For fiscal 2013 this adjustment decreased interest income by \$408,235 and increased interest income by \$137,052 in fiscal 2012.

The following investment schedules detail the securities SNWA was holding for investment as of June 30, 2013 and 2012. Three valuations of investments are shown. Par value is the amount that SNWA will receive at maturity. Also shown is the premium of investments. Most investment instruments purchased in recent months have been acquired with substantial premiums. 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 Mellon Trust Company.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

Investments at June 30, 2013

Security	Days to Maturity after Purchase	Par Value	Premiums (Discounts)	Fair Value Adjustment	Book (Fair) Value	MEMO Fair Value
CD (9 Issues)	<366	\$ 2,160,000			\$ 2,160,000	\$ 2,160,246
CD (30 Issues)	>365	7,200,000		\$ 2,553	7,202,553	7,202,553
FHLB	575	45,645,000	\$ 660,788	32,559	46,338,347	46,338,347
FNMA	576	5,000,000	32,788	3,712	5,036,500	5,036,500
FHLMC	620	38,705,000	20,318	29,224	38,754,542	38,754,542
FHLB	644	63,000,000	617,288	42,243	63,659,531	63,659,531
FHLB	666	7,000,000	335,642	4,908	7,340,550	7,340,550
FFCB	686	5,000,000	2,216	3,834	5,006,050	5,006,050
T-Note	687	15,000,000	1,059,103	(853)	16,058,250	16,058,250
T-Note	689	10,000,000	694,751	10,749	10,705,500	10,705,500
T-Note	694	10,000,000	709,022	(3,522)	10,705,500	10,705,500
FFCB	696	2,000,000	(259)	1,419	2,001,160	2,001,160
FHLMC	701	13,125,000	842,650	(1,600)	13,966,050	13,966,050
T-Note	701	45,000,000	3,191,639	(16,889)	48,174,750	48,174,750
T-Note	702	1,000,000	70,825	(275)	1,070,550	1,070,550
FAMCA	718	6,200,000	32,827	5,551	6,238,378	6,238,378
FAMCA	720	1,000,000	5,287	903	1,006,190	1,006,190
FAMCA	720	1,000,000	5,287	903	1,006,190	1,006,190
T-Note	723	10,000,000	723,326	(17,826)	10,705,500	10,705,500
T-Note	752	5,000,000	710	(8,910)	4,991,800	4,991,800
MUNI	775	500,000	20,437	1,888	522,325	522,325
FHLB	785	3,000,000	25,627	2,303	3,027,930	3,027,930
FHLMC	804	47,000,000	1,465,855	21,695	48,487,550	48,487,550
FHLMC	805	3,000,000	93,371	1,579	3,094,950	3,094,950
FHLMC	834	2,000,000	62,527	(27)	2,062,500	2,062,500
MUNI*	852	1,000,000	30,181	5,739	1,035,920	1,035,920
FHLMC	854	1,000,000	4,549	(18)	1,004,531	1,004,531
FNMA	902	2,664,000	206,077	(1,082)	2,868,995	2,868,995
FHLMC	946	12,000,000	29,375	(695)	12,028,680	12,028,680
FNMA	982	65,000,000	190,588	(84,638)	65,105,950	65,105,950
T-Note	1089	4,000,000	783,169	(29,419)	4,753,750	4,753,750
T-Note	1146	1,000,000	39,799	(8,393)	1,031,406	1,031,406
T-Note	1149	5,000,000	166,946	(46,246)	5,120,700	5,120,700
FNMA	1322	1,000,000	12,309	7,541	1,019,850	1,019,850
T-Note	1506	1,000,000	3,897	(19,835)	984,062	984,062
MUNI*	1617	1,000,000	91,561	(8,061)	1,083,500	1,083,500
FHLB	1691	1,000,000	16,569	19,801	1,036,370	1,036,370
T-Note	1848	4,000,000	314,634	(120,884)	4,193,750	4,193,750
T-Note	1870	1,000,000	80,298	(31,860)	1,048,438	1,048,438
T-Note	2207	1,000,000	1,531	(30,981)	970,550	970,550
MUNI	2241	1,005,000	140,231	(3,762)	1,141,469	1,141,469
T-Note	2557	1,000,000	144,920	(38,590)	1,106,330	1,106,330
T-Note	2922	1,000,000	117,423	(43,593)	1,073,830	1,073,830
T-Note	3287	1,000,000	(2,005)	(44,475)	953,520	953,520
T-Note	3652	1,000,000	(18,532)	(44,905)	936,563	936,563
		<u>\$ 455,204,000</u>	<u>\$ 13,025,545</u>	<u>\$ (408,235)</u>	<u>\$ 467,821,310</u>	<u>\$ 467,821,556</u>

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

Investments at June 30, 2012

<u>Security</u>	<u>Days to Maturity after Purchase</u>	<u>Par Value</u>	<u>Premiums (Discounts)</u>	<u>Fair Value Adjustment</u>	<u>Book (Fair) Value</u>	<u>MEMO Fair Value</u>
CP (8 Issues)	<366	\$ 44,000,000	\$ (87,952)	\$ 87,952	\$ 44,000,000	\$ 43,919,399
CD (6 Issues)	<366	1,440,000			1,440,000	1,439,218
CD (20 Issues)	>365	4,800,000		(987)	4,799,013	4,799,013
MUNI	417	2,000,000	89,219.26	(2,979)	2,086,240	2,086,240
FHLB	418	10,000,000	8,198.35	1,902	10,010,100	10,010,100
FHLMC	434	3,000,000	1,795.81	154	3,001,950	3,001,950
FNMA	452	6,000,000	3,860.39	700	6,004,560	6,004,560
MUNI	775	500,000	41,681.31	(131)	541,550	541,550
MUNI	852	1,000,000	70,106.10	104	1,070,210	1,070,210
FHLB	966	1,000,000	39,105.75	4,374	1,043,480	1,043,480
FNMA	1322	1,000,000	26,284.53	13,403	1,039,688	1,039,688
MUNI	1617	1,000,000	119,297.42	5,303	1,124,600	1,124,600
FHLB	1691	1,000,000	25,190.27	25,790	1,050,980	1,050,980
MUNI	2241	1,005,000	166,870.55	1,467	1,173,338	1,173,338
MUNIP *	8804	4,950,000	-	-	4,950,000	4,950,000
MUNIP *	8823	3,285,000	-	-	3,285,000	3,285,000
MUNIP *	8823	15,690,000	-	-	15,690,000	15,690,000
MUNIP *	8845	715,000	-	-	715,000	715,000
MUNIP *	8908	1,500,000	-	-	1,500,000	1,500,000
MUNIP *	8910	2,900,000	-	-	2,900,000	2,900,000
MUNIP *	8915	39,065,000	-	-	39,065,000	39,065,000
		<u>\$ 145,850,000</u>	<u>\$ 503,657</u>	<u>\$ 137,052</u>	<u>\$ 146,490,709</u>	<u>\$ 146,409,326</u>

* Related Party

Non-negotiable CDs of \$720,000 and \$750,000 are also included in SNWA's investments for June 30, 2013, and June 30, 2012 respectively. They are not included in the detail above per GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

The following shows the distribution and credit quality of SNWA investments at June 30, 2013 and 2012. Ratings are derived from Standard & Poor's.

Investment Distribution and Quality

<u>Investment Type</u>	<u>Rated</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>
United States Treasury Notes	AA	26.6%	
Federal Home Loan Bank	AA	26.0%	8.2%
Federal Home Loan Mortgage Corporation	AA	25.5%	2.0%
Federal National Mortgage Association	AA	15.8%	4.8%
Certificates of Deposit	None	2.0%	4.8%
Federal Agriculture Mortgage Corporation	AA	1.8%	
Federal Farm Credit Banks Corporation	AA	1.5%	
Municipal Bonds (All Other)	AA	0.4%	1.5%
Municipal Bonds (Related Party)	AA	0.4%	46.3%
Municipal Bonds (Related Party)	A		2.6%
Commercial Paper	A		29.8%
		<u>100.0%</u>	<u>100.0%</u>

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

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. LVVWD sends SNWA monthly detailed bills for expenses LVVWD incurred on SNWA's behalf and SNWA pays these billings as they occur. At year end, SNWA nets any outstanding amounts owed to LVVWD against the advance and shows the unused balance of advanced funds in the due from member agencies account. As of June 30, 2013 and 2012, those net amounts shown in the sums below were \$10,338,264 and \$10,160,284, respectively.

Based on historical collection experience, management believes all accounts are collectible, and therefore no allowance has been provided for bad debts. At June 30, 2013 and 2012, the following amounts were due from SNWA's member agencies:

	<u>Due From Member Agencies</u>	
	<u>June 30,</u> <u>2013</u>	<u>June 30,</u> <u>2012</u>
Las Vegas Valley Water District	\$ 29,599,559	\$ 28,417,189
City of North Las Vegas	3,772,620	5,690,909
City of Henderson	3,600,997	5,860,873
City of Boulder City	367,065	376,006
Nellis Air Force Base	73,966	128,373
Big Bend Water District	35,710	14,507
Clark County Water Reclamation District	2,917	2,917
Total	<u>\$ 37,452,834</u>	<u>\$ 40,490,774</u>

NOTE 5. RECEIVABLES

Receivables include amounts due from the state of Nevada, grantors and businesses as well as accrued investment earnings on SNWA's investments. Based on historical collection experience, management believes all amounts are collectible, and therefore no allowance has been provided for bad debts.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

The following amounts were due as of June 30, 2013 and 2012:

Receivables		
Type	June 30, 2013	June 30, 2012
Current Receivables - Restricted		
State of Nevada - Department of Taxation	\$ 13,917,603	\$ 13,264,923
Current Receivables - Unrestricted		
Grants Receivable	573,699	5,036,569
Power Trading Accounts Receivable		2,465,108
Federal BAB Bond Interest Receivable	813,244	890,739
Accrued Investment Earnings	1,610,707	163,266
Northern Resource Property Receivable		5,884
Aerial Imagery Project--RTC	7,500	
Total Current Receivables - Unrestricted	3,005,150	8,561,566
Total Current Receivables	\$ 16,922,753	\$ 21,826,489

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 \$3.7 million (10.7%) increase in other current assets is due primarily to prepaid power. During the year, SNWA used funds to secure future power (electricity and natural gas) contracts.

The following items are included in other current assets for June 30, 2013 and 2012:

Other Current Assets		
Type	June 30, 2013	June 30, 2012
Prepaid Power	\$ 36,047,415	\$ 31,760,882
Prepaid Leases	1,227,078	1,215,424
Ranch Inventory	570,934	1,185,393
Prepaid Insurance	453,967	425,983
Prepaid Retirement Premium	1,049	1,049
Total	\$ 38,300,443	\$ 34,588,731

NOTE 7. CAPITAL ASSETS

The following capital assets schedules summarize changes in major categories of capital assets for fiscal years ended June 30, 2013 and 2012. Natural resources rights are described in more detail in Note 8, and Construction Work in Progress is described in more detail in Note 9.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

Capital Assets June 30, 2013

<u>Capital Assets Category</u>	<u>Balance at June 30, 2012</u>	<u>Additions</u>	<u>Cost Adjustments</u>	<u>Retirements/ Transfers</u>	<u>Balance at June 30, 2013</u>
<u>Capital Assets Subject to Depreciation</u>					
Structures and Improvements	\$ 687,659,749	\$ 1,841,426	\$ 93,139		\$ 689,594,314
Pumping Stations and Wells	614,975,819	23,564,487	17,047		638,557,353
Transmission/Distribution/Mains	1,427,477,488		\$ 41,497		1,427,518,985
Office Furniture and Equipment	111,331,123	598,079	281,511	\$ (93,133)	112,117,580.00
Transportation/Work/Equipment	6,288,448	323,164	4,690	(421,352)	6,194,950.00
Power Plant	101,854,657				101,854,657.00
Northern Resources Assets	17,793,245	533,108	1,698,701	(17,500)	20,007,554.00
Total Capital Assets Subject to Depreciation	2,967,380,529	26,860,264	2,136,585	(531,985)	2,995,845,393
<u>Accumulated Depreciation</u>					
Structures and Improvements	274,961,409	30,579,564			305,540,973
Pumping Stations and Wells	141,660,679	15,209,493			156,870,172
Transmission/Distribution/Mains	320,134,116	19,615,737			339,749,853
Office Furniture and Equipment	87,402,517	3,653,789		(75,692)	90,980,614
Transportation/Work/Equipment	5,517,691	376,831		(421,351)	5,473,171
Power Plant	27,727,100	3,395,155			31,122,255
Northern Resources Assets	8,622,524	2,112,746		(14,583)	10,720,687
Total Accumulated Depreciation	866,026,036	74,943,315	-	(511,626)	940,457,725
Net Capital Assets Subject to Depreciation	2,101,354,493	(48,083,051)	2,136,585	(20,359)	2,055,387,668
<u>Capital Assets Not Subject to Depreciation</u>					
Land and Land Rights	92,271,442		(23,250)		92,248,192
Natural Resource Rights	389,961,251	1,831,053			391,792,304
Construction in Progress	1,536,891,327	197,742,433		(26,772,070)	1,707,861,690
Net Capital Assets Not Subject to Depreciation	2,019,124,020	199,573,486	(23,250)	(26,772,070)	2,191,902,186
Total Net Capital Assets	\$ 4,120,478,513	\$ 151,490,435	\$ 2,113,335	\$ (26,792,429)	\$ 4,247,289,854

Amounts may be slightly off due to rounding

Capital Assets June 30, 2012

<u>Capital Assets Category</u>	<u>Balance at June 30, 2011</u>	<u>Additions</u>	<u>Cost Adjustments</u>	<u>Retirements/ Transfers</u>	<u>Balance at June 30, 2012</u>
<u>Capital Assets Subject to Depreciation</u>					
Structures and Improvements	\$ 664,330,857	\$ 23,328,892			\$ 687,659,749
Pumping Stations and Wells	604,556,458	10,424,555		(5,194)	614,975,819
Transmission/Distribution/Mains	1,407,974,333	19,503,155			1,427,477,488
Office Furniture and Equipment	110,172,675	588,987	601,898	\$ (32,437)	111,331,123
Transportation/Work/Equipment	6,229,792	257,082		(198,426)	6,288,448
Power Plant	101,854,657				101,854,657
Northern Resources Assets	14,636,892	3,093,882	74,619	(12,148)	17,793,245
Total Capital Assets Subject to Depreciation	2,909,755,664	57,196,553	676,517	(248,205)	2,967,380,529
<u>Accumulated Depreciation</u>					
Structures and Improvements	240,029,935	34,931,474			274,961,409
Pumping Stations and Wells	126,852,475	14,813,398		(5,194)	141,660,679
Transmission/Distribution/Mains	305,544,488	14,589,628			320,134,116
Office Furniture and Equipment	82,514,061	4,915,301		(26,845)	87,402,517
Transportation/Work/Equipment	5,323,262	392,855		(198,426)	5,517,691
Power Plant	24,331,945	3,395,155			27,727,100
Northern Resources Assets	6,751,234	1,880,979		(9,689)	8,622,524
Total Accumulated Depreciation	791,347,400	74,918,790	-	(240,154)	866,026,036
Net Capital Assets Subject to Depreciation	2,118,408,264	(17,722,237)	676,517	(8,051)	2,101,354,493
<u>Capital Assets Not Subject to Depreciation</u>					
Land and Land Rights	92,271,442				92,271,442
Natural Resource Rights	389,574,983	386,268			389,961,251
Construction in Progress	1,404,518,678	190,920,503		(58,547,854)	1,536,891,327
Net Capital Assets Not Subject to Depreciation	1,886,365,103	191,306,771	-	(58,547,854)	2,019,124,020
Total Net Capital Assets	\$ 4,004,773,367	\$ 173,584,534	\$ 676,517	\$ (58,555,905)	\$ 4,120,478,513

Amounts may be slightly off due to rounding.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

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.

After several mutually agreed upon deferrals of payment, the AWBA and SNWA approved an amendment to the 2001 Banking Agreement in May, 2013 that relieved SNWA from its obligation to pay AWBA \$217,315,000 in remaining annual payments. In exchange the AWBA will complete any additional storage of Colorado River water on a pay-as-you-go basis. Also SNWA will pay a \$20,000 annual administrative fee for maintenance of SNWA's storage credits.

As of June 30, 2013, SNWA has capitalized a total of \$131.4 million related to AWBA.

Northern Resource Properties and Related Rights

In 2006 and 2007, the 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, 2012, SNWA has acquired more than 33,000 acre-feet per year (AFY) of surface water rights, more than 6,000 AFY of groundwater rights and more than 23,000 AFY of supplemental water rights. Additional negligible water rights were acquired in 2010. SNWA intends to use the surface water rights to help manage the groundwater basin and support

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

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, 2013, SNWA owned permits equivalent to 64,548 AUMs. SNWA has verified through a third party that the AUMs have not been impeded or decreased in value by any legal actions

As of June 30, 2013, SNWA has capitalized \$62.2 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 (amended 2011) 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 \$57.1 million limit for post 2007 acquisitions or leases of MVIC and two other rural irrigation companies. SNWA has not exceeded this authorization.

As of June 30, 2013, SNWA has capitalized \$62.1 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 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.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

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 including amortization of debt for the \$53 million has been and is projected to be very stable at about \$37/megawatt hour (MWh).

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 (amended 2011) 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 \$57.1 million limit for post 2007 acquisitions or leases of MVIC, BIC, and MIC. SNWA has not exceeded this authorization.

As of June 30, 2013, SNWA has capitalized \$38.9 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, 2013, 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, 2013, 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.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

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, 2013, 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, 2013 and 2012:

<u>Natural Resources Rights</u>		
<u>Type</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Arizona Water Bank	\$ 131,365,372	\$ 129,766,558
Northern Resource Property and Rights	62,165,559	62,165,559
Muddy River Water Rights	62,134,195	62,128,556
Hydropower Rights	53,000,000	53,000,000
Virgin River Water Rights Development	38,949,207	38,722,607
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	2,000,000
Groundwater Management Program	1,158,430	1,158,430
Total Natural Resources Rights	<u>\$ 391,792,304</u>	<u>\$ 389,961,251</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, are allocated to Property, Plant and Equipment (PP&E) when purchased. Land costs are not depreciated. Direct and indirect costs of construction of a capital project including ancillary costs directly related to construction projects are

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

recorded as CWIP. When a project is finished, an agenda item is brought before the Board to accept the project as complete. With the Board acceptance, associated CWIP costs are closed out and allocated depreciable asset categories within 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. Indirect costs included items such as administration, planning and design, public information, program management, construction management, environmental mitigation, and interest.

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. In 2010 the CIP and MCCP were merged into one document.

The most recent amended MCCP to be approved by the Board was on February 17, 2011. On June 21, 2012, the Board approved an amendment to the Facilities and Operations agreement that removed the apparent requirement for the Authority to reaffirm or revise the MCCP with them at least annually. The MCCP is still updated at least annually with the most recent update performed in February, 2013. This amended MCCP includes details for \$2.5 billion of completed projects, \$1.9 billion of active projects and \$0.4 billion of deferred projects. Of the 20 projects comprising the \$1.9 billion of active projects, nearly all (98.9%) are funded by capital contributions with a minimal amount (1.1%) funded by the wholesale delivery charge. In terms of active projects, 13 (65.0%) are funded by capital contributions while 7 (35.0%) are funded by the wholesale delivery charge.

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

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

The LVWCIP, revised and approved by the Board on February 21, 2013, includes future projects totaling approximately \$59.8 million. Of that amount, about \$54.8 million (91.6%) is for construction of facilities. The remaining \$5.0 million (8.4%) is for design studies, revegetation activities, and miscellaneous programs. These projects will be funded by 4.0% 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.

Indirect Costs

Indirect costs are defined as capital costs that have not been specifically identified as being generated by a single capital project. Indirect costs are composed of three major categories – 1) capitalized interest, 2) capitalized labor, and 3) other costs.

SNWA calculates capitalized interest based on total CWIP, not by project (see below). Indirect capitalized labor results from departments that work with multiple projects and find it cumbersome and ineffective to try and post their time to specific projects. Other indirect costs come primarily from outside consultants that SNWA hires to do planning, oversight, and other capital related tasks. Since these consultants invoice SNWA by total time spent on Authority projects and not specific tasks, the costs cannot be traced to specific items in the capital plan.

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. These amounts are added to the indirect costs of total CWIP. SNWA capitalized \$74,582,373 and \$68,310,080 of interest expense, which was partially offset by \$818,620 and \$43,915 of interest income, in the fiscal years ended June 30, 2013 and 2012, respectively.

The following shows the construction in progress balance as of June 30, 2013 and 2012:

Construction In Progress		
Type	June 30, 2013	June 30, 2012
Major Construction and Capital Plan	\$ 1,197,584,619	\$ 1,055,304,145
Las Vegas Wash Capital Improvement Plan	21,496,067	12,515,546
Indirect Costs	488,781,004	469,071,636
Total Construction In Progress	<u>\$ 1,707,861,690</u>	<u>\$ 1,536,891,327</u>

NOTE 10. 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.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

In 2006, the 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, 2013, SNWA has paid \$86.4 million net of sales for 351,312 AF of storage.

NOTE 11. DEFERRED AMOUNT ON REFUNDINGS

As required by GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, the difference between the reacquisition price and the net carrying amount of old debt that is current or advance refunded is capitalized, shown as a deferred outflow of resources, 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 of 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.

The balances are being amortized over the life of the associated debt. Deferred amounts on refundings as of June 30, 2013 and 2012 are \$38,181,345 and \$40,998,258, respectively. The decrease in fiscal 2013 occurred from the normal amortization of these deferred outflows of resources.

NOTE 12. ACCOUNTS PAYABLE

Accounts payable balances by category as of June 30, 2013 and 2012 are as follows:

Accounts Payable		
Type	June 30, 2013	June 30, 2012
Construction Contracts Retention	\$ 26,690,608	\$ 27,115,685
Construction Contracts and Administration	17,435,927	20,075,992
Administration Expenses	6,707,611	8,641,074
Total Accounts Payable	<u>\$ 50,834,146</u>	<u>\$ 55,832,751</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, 2013, \$10.3 million 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).

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

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 (OPEB) to SNWA. As of June 30, 2013, and 2012, allocated OPEB costs of \$3.7 million and \$3.1 million, respectively, are included in the administration expenses amounts above.

NOTE 13. COMMITMENTS, RESERVES AND CONTINGENCIES

Economic Conditions

The United States has experienced a widespread decline in residential real estate sales, mortgage lending and related construction activity, high unemployment, as well as weakness in the commercial and investment banking systems, which had far-reaching effects on the economic activity in the country. In fiscal years 2012 and 2013, the economy has begun to stabilize and has helped to stabilize SNWA's current operations as well. However, the long-term impact of these factors on the Southern Nevada economy and SNWA's future operations cannot be predicted at this time, but may be substantial.

Construction Contracts

In connection with its two 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, 2013, SNWA had construction contract commitments totaling approximately \$191.9 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.

Pending Regional Connection Charge Refunds

In accordance with Accounting Standards Codification No. 450, *Contingencies*, SNWA has recorded a contingent liability of \$5.0 million for pending refunds related to development projects cancelled by purveyor members. Capital contributions include regional connection charge revenues which are refundable under certain circumstances. The Pending Regional Connection Charge Refunds balance is an estimated liability for possible future refunds based on all projects listed by SNWA purveyor members as cancelled at the end of a fiscal year, and adjusts the amount of Regional Connection Charges posted to Contributed Capital (Note 16).

The fiscal 2013 liability is \$3.9 million (43.4%) less than fiscal 2012 and is based on information obtained from each of SNWA's three participating purveyors. The recorded obligation for pending regional connection charge refund account is expected to provide 1.6 years coverage of refunds if annual refund levels remain the same as those experienced in fiscal 2013.

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

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

amendments approved in 2006 added an additional 52,994 square feet of office space for the same twenty year period. In 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. SNWA subleases 34,898 square feet within the area leased and/or owned by SNWA to LVVWD and 3,000 square feet to Faiss Foley Warren (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, 2013, SNWA paid \$4,765,331 on the lease and association fees. Leasehold improvements are charged to SNWA's MCCC 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 was renewed in 2012 and expires in 2016. 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. Initial Mesquite leases began on October 1, 2008, were from one to ten years in duration and had an annual escalation factor of 3%. In January 2011, the Board approved agreements extending expired leases through October 1, 2014. The rates for the extensions were 40.4% to 43.9% lower per acre foot than the original leases and contain no escalation clause.

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.

In May 2010, the Board approved an agreement with the BLM to lease 4,472.83 acres to expand SNWA's exploratory work on geothermal resources. Terms of the lease state that lease costs will be \$2.00 per acre for year one, \$3.00 per acre for years 2 through 10 and \$5.00 per acre thereafter. There is no stated expiration date in the lease. SNWA staff believes that the lease will be used through fiscal 2015.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

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
2014	\$ 2,805,708	\$ 33,252	\$ 9,600	\$ 260,130	\$ 2,366,237
2015	2,906,113		9,600	260,130	54,230
2016	3,010,505		9,600	260,130	55,857
2017	3,119,042			260,130	57,533
2018	3,174,506			260,130	59,258
2019-2023	17,405,564			1,300,650	
2024-2028	16,394,323			1,040,520	
	<u>\$ 48,815,761</u>	<u>\$ 33,252</u>	<u>\$ 28,800</u>	<u>\$ 3,641,820</u>	<u>\$ 2,593,115</u>

Fiscal Year June 30	MVIC Lease	BLM Lease	Total
2014	\$ 483,861	\$ 13,440	\$ 5,972,228
2015	498,377	13,440	3,741,890
2016	513,328		3,849,420
2017	528,728		3,965,433
2018	544,590		4,038,484
2019-2023	1,646,530		20,352,744
2024-2028	1,550,567		18,985,410
	<u>\$ 5,765,981</u>	<u>\$ 26,880</u>	<u>\$ 60,905,609</u>

May be off slightly due to rounding

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 \$1,428,241 in accumulated depreciation having been taken through June 30, 2013. 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. LVVWD is also responsible for any utilities

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

and services assessed to SNWA for the space occupied by LVVWD. For the remaining period of the lease, SNWA anticipates to receive a minimum \$19,765,585 of aggregate sublease payments from LVVWD.

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. 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 \$6,712,311 of aggregate payments.

In 2012, SNWA entered into a sublease agreement with Faiss Foley Warren (Faiss) regarding office space at Molasky. The two year agreement allows Faiss to lease 3,000 square feet of space and provides the option for a two year renewal. The space owned by SNWA that is being leased has an approximate carrying value of \$2,156,501, with \$536,949 in accumulated depreciation having been taken through June 30, 2013. The sublease contains no escalation clauses. For the remaining period of the lease, SNWA anticipates to receive a minimum \$66,000 of aggregate sublease payments from Faiss.

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

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	NVE	Faiss	TOTAL
2014	\$ 1,613,517	\$ 94,229	\$ 66,000	\$ 1,773,746
2015	1,613,517	97,056		1,710,573
2016	1,613,517	99,967		1,713,484
2017	1,613,517	102,966		1,716,483
2018	1,613,517	106,055		1,719,572
	\$ 8,067,585	\$ 500,273	\$ 66,000	\$ 8,633,858

Amounts may be slightly off 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 greater

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

control of future prices and projected savings over the same commodity purchased from the investor owned utility.

SNWA began purchasing over 95% of its power requirements from the Silver State Energy Association (SSEA) beginning April 1, 2013 under Project Services Agreement #3: Power Supply Management Services Agreement, Load Requirements Service (LRS). SSEA is a joint powers association of public utilities (see Note 18) which was formed in 2007. Its members include the City of Boulder City, Overton Power District #5, Lincoln Power District #1, Colorado River Commission of Nevada, and SNWA. SNWA and CRC staff and run the SSEA which is governed by a Board of Directors with one representative of each member sitting on the Board.

The SSEA buys and sells fixed price power with the SNWA for the upcoming five calendar years to balance SNWA's total supplies with its total load and other obligations. SSEA then purchases and sells physical power and other financial products from the market to best hedge its portfolio of forward energy contracts. All SSEA energy activity is in compliance with established energy risk management procedures which were developed to fulfill the Energy Risk Management Policy adopted by the SSEA Board. Under LRS, SNWA is responsible for a portion of gains and losses and prepaid energy expenses that may be realized in SSEA's energy portfolio each month.

Prior to taking service from the SSEA, the SNWA managed its own portfolio of energy resources consisting solely of forward electricity, generation and transmission contracts as well as financial power and natural gas swaps. Among the forward electricity contracts are long-term contracts for the purchase of hydropower from federal dams along the Colorado River. Because this portfolio, as well as its energy contracts with the SSEA exist solely for purposes of serving SNWA's projected energy requirements over the next five years, the forward energy contracts are considered to be "normal purchases and sales contracts" and are considered to be outside the scope of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

Although SNWA is taking LRS Service from the SSEA it will continue to own existing energy assets and contracts and may add other energy assets or contracts in the future as part of its supply portfolio.

The primary risks associated with SNWA's energy portfolio, as well as SSEA's energy 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, 2013, SNWA had net energy contract commitments totaling approximately \$164 million, which includes its projected allocation of SSEA net energy contract commitments.

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 Silverhawk construction costs, is obligated to pay 25% of the operating costs and is entitled to 25% of the generated electricity. For the period June 1, 2013 through December 31, 2018, SNWA entered into an energy exchange agreement with NVE whereby NVE has the right to dispatch the plant using their professional judgment, and SNWA receives 125 MW on peak and 25 MW off peak of firm delivered power.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

In addition to Silverhawk, the SNWA also owns approximately 0.5 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, 2013. The remaining funds will be distributed in fiscal 2014.

Litigation

SNWA is a defendant in various litigation matters. Although the outcome of these matters is not presently determinable based on information currently available, 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. SHORT-TERM DEBT

On March 10, 2004, LVVWD began a Tax-Exempt Commercial Paper (TECP) program for SNWA that authorized the issuance of up to \$400 million in TECP notes. The TECP program was most recently renegotiated on March 1, 2011 and is currently facilitated by a letter of credit between LVVWD, JPMorgan Chase, National Association, and Wells Fargo Bank, National Association. The termination date for each agreement is February 28, 2014 with options for renewal. The entire balance is currently issued and outstanding.

The proceeds were used to fund SNWA's CIP, to purchase a 25% interest in the Silverhawk power plant, and to purchase water resources. Commercial paper is traded on the open market and is subject to market interest fluctuations.

The following chart summarizes key components of SNWA's short-term debt activity.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

Outstanding Short Term Debt

	<u>June 30,</u> <u>2013</u>	<u>June 30,</u> <u>2012</u>
Balance Beginning of Period	\$400,000,000	\$400,000,000
Additions	3,226,340,000	4,831,440,000
Retirements	<u>(3,226,340,000)</u>	<u>(4,831,440,000)</u>
Balance End of Period	<u>\$400,000,000</u>	<u>\$400,000,000</u>
End Of Period --		
Accrued Interest	\$100,395	\$73,198
Average Interest Rate	0.17%	0.20%
Number of Traunches	13	13
Smallest	\$300,000	\$3,090,000
Largest	\$100,000,000	\$84,000,000
Shortest Maturity, in days	26	14
Longest Maturity, in days	129	125

NOTE 15. LONG-TERM 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. SNWA plans to use LVVWD to sell long-term fixed-rate bonds whenever feasible in the near future.

Debt Creation and Reporting

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 capital contribution sources as needed to fund capital projects construction payments on a pay-as-you-go basis.

SNWA annually files a Debt Management Policy with the state of Nevada. The required policy details guidelines regarding the affordability of debt, debt capacity, and how debt will be repaid. The policy is provided to state and county officials and is available for review by bonding agencies and the general public. Additionally, the policy is reproduced annually in SNWA's operating and capital budget document.

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

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

SNWA's basic financial statements by independent certified public accountants. Covenants are reviewed periodically by outside bond counsel to insure adherence.

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, 2013, nine bond issues with \$322,170,000 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 11).

Current Year Debt Issuance Activity

On July 31, 2012, LVVWD on behalf of SNWA issued LVVWD 2012B bonds in the original amount of \$360,000,000. Proceeds from the bonds along with \$8,719,107 of premiums were reserved to pay for construction expenditures. An additional \$31,241,522 was received from the bond sale and was reserved to pay two years of capitalized interest. The first principal payment due on the LVVWD 2012B bonds is scheduled for June 1, 2015 with maturities continuing through 2042. Interest on these bonds will be paid semiannually on December 1 and June 1 with the first four interest payments being capitalized. The interest rate is 3.93%. The bonds will add an additional \$23,610,050 to yearly debt payment requirements at its peak.

On February 20, 2013, the state of Nevada on behalf of SNWA issued SNWA 2013A refunding bonds in the original amount of \$21,720,000. Proceeds from the bonds along with \$88,618 of premiums were deposited into escrow to fully refund the SNWA 0798 issue. SNWA 2013A bonds pay semi-annual interest beginning August 1, 2013 continuing to August 1, 2027. At that time the entire principal of \$21,720,000 is scheduled to be paid. Interest on the new issue is paid semiannually on August 1 and February 1. The blended interest rate is 3.01%. Over the life of the bond, the issue will reduce debt payment requirements by \$6.7 million. In present value (economic loss) terms, this equates to a \$5.1 million savings in debt requirements.

The following is a comprehensive summary of each of the outstanding long-term debt issues as of June 30, 2013.

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. In 1999, 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. 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 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.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

State of Nevada Loan No. SNWA-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 funds were reserved to pay for CIP construction expenditures. 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.

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 was a new money bond issue and the \$296,236,936 it generated was reserved for CIP construction expenditures. Originally these bonds matured annually on May 15 through 2028. Because \$254,400,000 of SNWA's 2005F bond issue and \$21,350,000 of the LVVWD 2013A bond issue were used to defease maturities of this issue, the bond was retired in February 20, 2013. The interest rate for the issue was 5.00%.

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. \$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 reserved to pay for CIP construction expenditures. These bonds were originally scheduled to mature annually on June 1 from 2004 to 2031. Interest was payable semiannually on June 1 and December 1. Five refunding issues (SNWA 2006, SNWA 1106, SNWA 2009 Refunding, SNWA 2011C and SNWA 2012 Refunding) combined to reduce and eventually retire this issue in June, 2012. The interest rate was 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 reserved to pay for CIP construction expenditures. These bonds were originally scheduled to mature annually on June 1 from 2005 to 2032. Interest was payable semiannually on June 1 and December 1. Four refunding issues (SNWA 1106, SNWA 2009 Refunding, LVVWD 2011C, and SNWA 2012 Refunding) combined to reduce and eventually retire this issue in June, 2012. The interest rate was 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. Interest was payable semiannually on June 1 and December 1. \$23,385,000 of the SNWA 2009D issue and \$188,880,000 of the LVVWD 2011C issue were applied to LVVWD 2003B to completely refund the issue in October, 2011. The interest rate was 4.66%.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

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. The SNWA 2005F bonds mature annually on December 1 through 2026. Interest on these bonds is payable semiannually on June 1 and December 1. \$52,335,000 of the proceeds from the LVVWD 2011B and LVVWD 2011C issues were used to partially refund selected payments of the SNWA 2005F issue. 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. The CRC 2005H 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. The CRC 2005I bonds mature annually on September 15 through 2029. Interest on these bonds is payable semiannually on March 15 and September 15. \$10,305,000 of the proceeds from the LVVWD 2011B issue was used to partially refund selected payments of the CRC 2005I bonds. 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. The SNWA 2006 refunding 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. The CRC 2006D bonds mature annually on July 1 through 2024. Interest on these bonds is payable semiannually on January 1 and July 1. \$25,865,000 of the proceeds from the CRC 2010B issue and LVVWD 2011B issue were used to partially refund selected payments of the CRC 2006D bonds. 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 reserved for capital expenditures. Interest on these bonds is payable semiannually on May 1 and November 1. The SNWA 1106 bonds mature annually on November 1 through 2036. \$61,340,000 of the proceeds from the SNWA 2009 refunding issue, the LVVWD 2011B issue and the LVVWD 2011C

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

issue were used to partially refund selected payments of the SNWA 1106 bonds. 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. The LVVWD 2008B bonds mature annually on June 1 through 2026. \$51,930,000 of the LVVWD 2011A issue was used to defease five years' principal on this issue. 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 reserved to fund capital expenditures. The SNWA 2008 bonds mature annually on June 1 through 2038. Interest on these bonds is payable semiannually on December 1 and June 1. \$37,845,000 of the proceeds from the SNWA 2009 refunding issue and the LVVWD 2011C issue were used to partially refund selected payment of the SNWA 2008 bonds. 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 SNWA Subordinate Lien Revenue 2008 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 taxable general obligation bonds in the original amount of \$90,000,000 were issued on August 5, 2009. The proceeds of the bond sale were reserved to fund capital expenditures. The LVVWD 2009A 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 BABs 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. On March 1, 2013, the Treasury Department lowered the refund to 31.955%. The interest rate net of this Federal participation was originally 4.67% and now stands at 4.89%.

LVVWD 2009B Bonds

These general obligation bonds in the original amount of \$10,000,000 were issued on August 5, 2009. The proceeds of the bond sale were reserved to fund capital expenditures. The LVVWD 2009B bonds mature annually on June 1 through 2032. Interest on these bonds is payable semiannually on December 1 and June 1. The interest rate is 4.97%.

SNWA 2009 Refunding Bonds

These general obligation bonds in the original amount of \$50,000,000 were issued on October 22, 2009. The proceeds of the bond sale were used to partially refund the coupons from the following five bond series – SNWA 2000, SNWA 2001, SNWA 2002, SNWA 1106, and SNWA 2008. The SNWA 2009

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

refunding 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 4.50%.

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 \$2,214,457. Semi annual payments will be due on January 1 and July 1 with the final payment occurring on July 1, 2032. The bonds are interest free.

LVVWD 2009C Bonds

These taxable general obligation bonds in the original amount of \$348,115,000 were issued on December 23, 2009. The proceeds of the bond sale were reserved to fund capital expenditures. LVVWD 2009C bonds will 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 BABs as defined under the ARRA the United States Treasury Department refunds 35% of all interest expense to SNWA. On March 1, 2013, the Treasury Department lowered the refund to 31.955%. The interest rate net of this Federal participation was originally 4.64% and now stands at 4.86%.

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 reserved for capital expenditures. The LVVWD 2009D 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%.

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 CRC 1997B bonds and partially refund the CRC 2003C and CRC 2006D bonds. 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%.

LVVWD 2011A Refunding Bonds

These taxable general obligation bonds in the original amount of \$58,110,000 were issued on May 24, 2011. Proceeds from the bonds were deposited into escrow to refund \$51,930,000 of the LVVWD 2008B bonds. The LVVWD 2011A refunding bonds mature annually on June 1 beginning in 2015 and continuing through 2026. Interest on these bonds is payable semiannually on December 1 and June 1. The interest rate is 4.88%.

LVVWD 2011B Refunding Bonds

These taxable general obligation bonds in the original amount of \$129,650,000 were issued on October 19, 2011. The proceeds of the bond sale were used to partially refund coupons from the following five bond series – CRC 2005I, SNWA 2005F, CRC 2006D, SNWA 2006 Refunding and SNWA 1106. The LVVWD 2011B refunding bonds mature annually on June 1 through 2027. Interest on these bonds is payable semiannually on December 1 and June 1. The interest rate is 4.29%.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

LVVWD 2011C Refunding Bonds

These general obligation bonds in the original amount of \$267,815,000 were issued on October 19, 2011. The proceeds of the bond sale were used to partially refund coupons from the following five bond series – SNWA 2005F, SNWA 2001, SNWA 2002, SNWA 1106, and SNWA 2008—as well as fully refunding SNWA 2003B. The LVVWD 2011B refunding bonds mature annually on June 1 through 2038. Interest on these bonds is payable semiannually on December 1 and June 1. The interest rate is 3.90%.

SNWA 2012 Refunding Bonds

These general obligation bonds in the original amount of \$85,015,000 were issued on June 20, 2012. The proceeds of the bond sale were used to completely refund SNWA 2001 and SNWA 2002 bonds. SNWA 2012 bonds mature annually beginning June 1, 2013 and continue through June 1, 2032. Interest on these bonds is paid semiannually on June 1 and December 1. The interest rate is 3.88%.

LVVWD 2012B Bonds

These general obligation bonds in the original amount of \$360,000,000 were issued on July 31, 2012. The proceeds of the bond sale were reserved for capital expenditures. LVVWD 2012B bonds will mature annually beginning June 1, 2015 through 2042. Interest on these bonds is payable semiannually on December 1 and June 1. The interest rate is 3.93%.

LVVWD 2012B bonds will add annual debt payment requirements of \$23,610,500 at its peak. Over the life of the bond the issue will add \$692,259,872 of additional debt payment requirements. In present value (economic gain) terms, this equates to about 10% more than the par value of the bonds (\$399,178,313).

SNWA 2013A Refunding Bonds

These general obligation bonds in the original amount of \$21,720,000 were issued on February 20, 2013. The proceeds of the bond sale were used to fully refund the SNWA 1998 bond. The SNWA 2013A refunding bonds have one principal payment scheduled for August 1, 2027. Interest on the bonds is payable semiannually on February 1 and August 1. The interest rate is 2.96%.

The SNWA 2013A bonds reduce annual debt payment requirements by \$553,700 at its peak. Over the life of the bond, the issue will reduce total debt payment requirements by \$7,143,725. In present value (economic gain) terms, this equates to a \$5,460,824 million reduction in debt requirements.

The following schedules present changes in long-term debt issues for the years ending June 30, 2013 and 2012.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements
For the fiscal years ended June 30, 2013, and 2012

Outstanding Debt Activity, June 30, 2013

Debt Issue	Beginning Balance July 1, 2012	Additions	Retirements	Ending Balance June 30, 2013
Long-Term Debt				
SNWA-1	\$ 5,975,555		\$ (656,820)	\$ 5,318,736
SNWA-2	5,602,013		(507,463)	5,094,549
Subtotal Notes Payable	<u>11,577,568</u>		<u>(1,164,283)</u>	<u>10,413,285</u>
SNWA 1998	21,350,000		(21,350,000)	
SNWA 2005 F	173,520,000			173,520,000
CRC 2005 H	31,620,000			31,620,000
CRC 2005 I	47,755,000			47,755,000
SNWA 2006 Refund	210,210,000			210,210,000
CRC 2006 D	66,200,000			66,200,000
SNWA 1106	533,020,000			533,020,000
LVVWD 2008B	116,335,000			116,335,000
SNWA 2008	362,155,000			362,155,000
SNWA sub 2008	5,060,000		(460,000)	4,600,000
LVVWD 2009A	90,000,000			90,000,000
LVVWD 2009B	10,000,000			10,000,000
SNWA 2009 Refund	50,000,000		(1,780,000)	48,220,000
SNWA 2009 Water Revenue	2,214,457		(126,540)	2,087,917
LVVWD 2009C	348,115,000			348,115,000
LVVWD 2009D	71,965,000		(2,780,000)	69,185,000
CRC 2010B	7,405,000			7,405,000
LVVWD 2011A	58,110,000			58,110,000
LVVWD 2011B	129,650,000			129,650,000
LVVWD 2011C	267,815,000		(8,820,000)	258,995,000
SNWA 2012 Refunding	85,015,000			85,015,000
LVVWD 2012B		\$ 360,000,000		360,000,000
State 2013A	-	21,720,000		21,720,000
Subtotal Bonds Payable	<u>2,687,514,457</u>	<u>381,720,000</u>	<u>(35,316,540)</u>	<u>3,033,917,917</u>
Total Long-Term Debt				
Before Unamortized Discounts and Premiums	<u>\$ 2,699,092,025</u>	<u>\$ 381,720,000</u>	<u>\$ (36,480,823)</u>	3,044,331,202
Unamortized Discounts and Premiums				<u>73,223,306</u>
Net Debt				<u>\$ 3,117,554,508</u>

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

Composition of Outstanding Debt, June 30, 2013

Debt Issue	Ending Balance	Current Portion	Long-Term Portion	Accrued Interest
Long-Term Debt				
SNWA-1	\$ 5,318,736	\$ 680,745	\$ 4,637,991	\$ 79,561
SNWA-2	5,094,549	525,174	4,569,375	73,040
Subtotal Notes Payable	<u>10,413,285</u>	<u>1,205,919</u>	<u>9,207,366</u>	<u>152,601</u>
SNWA 1998				
SNWA 2005 F	173,520,000		173,520,000	711,148
CRC 2005 H	31,620,000		31,620,000	4,059
CRC 2005 I	47,755,000		47,755,000	665,297
SNWA 2006 Refund	210,210,000		210,210,000	803,809
CRC 2006 D	66,200,000		66,200,000	
SNWA 1106	533,020,000		533,020,000	3,928,891
LVVWD 2008B	116,335,000		116,335,000	460,978
SNWA 2008	362,155,000		362,155,000	1,484,242
SNWA sub 2008	4,600,000	460,000	4,140,000	2,340
LVVWD 2009A	90,000,000		90,000,000	523,771
LVVWD 2009B	10,000,000	350,000	9,650,000	38,796
SNWA 2009 Refund	48,220,000	1,865,000	46,355,000	197,623
SNWA 2009 Water Revenue	2,087,917	126,540	1,961,377	
LVVWD 2009C	348,115,000		348,115,000	2,021,196
LVVWD 2009D	69,185,000	2,920,000	66,265,000	283,093
CRC 2010B	7,405,000	945,000	6,460,000	22,427
LVVWD 2011A	58,110,000		58,110,000	221,783
LVVWD 2011B	129,650,000		129,650,000	432,547
LVVWD 2011C	258,995,000	9,000,000	249,995,000	1,039,563
SNWA 2012 Refunding	85,015,000		85,015,000	283,246
LVVWD 2012B	360,000,000		360,000,000	1,394,676
State 2013A	21,720,000		21,720,000	235,646
Subtotal Bonds Payable	<u>3,033,917,917</u>	<u>15,666,540</u>	<u>3,018,251,377</u>	<u>14,755,131</u>
Total Long-Term Debt				
Before Unamortized Discounts and Premiums	<u>\$ 3,044,331,202</u>	<u>\$ 16,872,459</u>	3,027,458,743	<u>\$ 14,907,732</u>
Unamortized Discounts and Premiums			<u>73,223,306</u>	
Net Long-Term Portion			<u>\$ 3,100,682,049</u>	

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements
For the fiscal years ended June 30, 2013, and 2012

Outstanding Debt Activity, June 30, 2012

Debt Issue	Beginning Balance July 1, 2011	Additions	Retirements	Ending Balance June 30, 2012
Long-Term Debt				
SNWA-1	\$ 6,609,291		\$ (633,736)	\$ 5,975,555
SNWA-2	6,092,363		(490,350)	5,602,013
Subtotal Notes Payable	12,701,654		(1,124,086)	11,577,568
SNWA 1998	21,350,000			21,350,000
SNWA 2001	37,385,000		(37,385,000)	
SNWA 2002	69,730,000		(69,730,000)	
LVVWD 2003B	188,880,000		(188,880,000)	
SNWA 2005 F	225,855,000		(52,335,000)	173,520,000
CRC 2005 H	31,620,000			31,620,000
CRC 2005 I	60,330,000		(12,575,000)	47,755,000
SNWA 2006 Refund	235,765,000		(25,555,000)	210,210,000
CRC 2006 D	87,570,000		(21,370,000)	66,200,000
SNWA 1106	590,015,000		(56,995,000)	533,020,000
LVVWD 2008B	116,335,000			116,335,000
SNWA 2008	385,960,000		(23,805,000)	362,155,000
SNWA sub 2008	5,520,000		(460,000)	5,060,000
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	1,214,921	\$ 999,536		2,214,457
LVVWD 2009C	348,115,000			348,115,000
LVVWD 2009D	71,965,000			71,965,000
CRC 2010B	7,405,000			7,405,000
LVVWD 2011A	58,110,000			58,110,000
LVVWD 2011B		129,650,000		129,650,000
LVVWD 2011C		267,815,000		267,815,000
SNWA 2012 Refunding		85,015,000		85,015,000
Subtotal Bonds Payable	2,693,124,921	483,479,536	(489,090,000)	2,687,514,457
Total Long-Term Debt				
Before Unamortized Discounts and Premiums	<u>\$ 2,705,826,575</u>	<u>\$ 483,479,536</u>	<u>\$ (490,214,086)</u>	2,699,092,025
Unamortized Discounts and Premiums				<u>67,707,338</u>
Net Debt				<u>\$ 2,766,799,363</u>

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

Composition of Outstanding Debt, June 30, 2012

Debt Issue	Ending Balance	Current Portion	Long-Term Portion	Accrued Interest
Long-Term Debt				
SNWA-1	\$ 5,975,555	\$ 656,820	\$ 5,318,735	\$ 89,487
SNWA-2	5,602,013	507,463	5,094,550	80,408
Subtotal Notes Payable	<u>11,577,568</u>	<u>1,164,283</u>	<u>10,413,285</u>	<u>169,895</u>
SNWA 1998	21,350,000		21,350,000	136,338
SNWA 2001				
SNWA 2002				
LVVWD 2003B				
SNWA 2005 F	173,520,000		173,520,000	711,148
CRC 2005 H	31,620,000		31,620,000	4,059
CRC 2005 I	47,755,000		47,755,000	665,297
SNWA 2006 Refund	210,210,000		210,210,000	803,809
CRC 2006 D	66,200,000		66,200,000	
SNWA 1106	533,020,000		533,020,000	3,928,891
LVVWD 2008B	116,335,000		116,335,000	460,978
SNWA 2008	362,155,000		362,155,000	1,484,242
SNWA sub 2008	5,060,000	460,000	4,600,000	2,574
LVVWD 2009A	90,000,000		90,000,000	523,771
LVVWD 2009B	10,000,000		10,000,000	38,796
SNWA 2009 Refund	50,000,000	1,780,000	48,220,000	204,918
SNWA 2009 Water Revenue	2,214,457	126,540	2,087,917	
LVVWD 2009C	348,115,000		348,115,000	2,021,196
LVVWD 2009D	71,965,000	2,780,000	69,185,000	294,487
CRC 2010B	7,405,000		7,405,000	22,427
LVVWD 2011A	58,110,000		58,110,000	221,783
LVVWD 2011B	129,650,000		129,650,000	432,547
LVVWD 2011C	267,815,000	8,820,000	258,995,000	1,054,022
SNWA 2012 Refunding	85,015,000		85,015,000	103,656
Subtotal Bonds Payable	<u>2,687,514,457</u>	<u>13,966,540</u>	<u>2,673,547,917</u>	<u>13,114,939</u>
Total Long-Term Debt				
Before Unamortized Discounts				
and Premiums	<u>\$ 2,699,092,025</u>	<u>\$ 15,130,823</u>	2,683,961,202	<u>\$ 13,284,834</u>
Unamortized Discounts and Premiums			<u>67,707,338</u>	
Net Long-Term Portion			<u>\$ 2,751,668,540</u>	

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

SNWA total debt service (short-term and long-term) requirements to maturity are as follows:

Long-Term Debt Service Requirements

Fiscal Year Ending June 30	Principal	Interest ¹	Total
2014	\$ 16,872,459	\$ 135,763,339	\$ 152,635,798
2015	24,290,584	152,086,105	176,376,689
2016	84,045,252	151,251,293	235,296,545
2017	110,456,517	146,802,056	257,258,573
2018	115,564,438	141,680,152	257,244,590
2019-2023	658,214,439	620,560,246	1,278,774,685
2024-2028	756,357,702	445,573,039	1,201,930,741
2029-2033	512,174,811	295,835,153	808,009,964
2034-2038	576,255,000	156,611,333	732,866,333
2039-2043	190,100,000	17,620,750	207,720,750
	3,044,331,202	\$ 2,263,783,466	\$ 5,308,114,668
Unamortized Discounts and Premiums ^{2/}	73,223,306		
Total Debt Service	\$ 3,117,554,508		

¹Gross interest, not reduced by anticipated BAB Federal credits.

²Total debt service on the Statement of Net Position includes unamortized discounts and premiums. The balance in that account is shown here for consistency purposes.

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, 2013 and 2012 are shown on the following page.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

Capital Contributions

Type	June 30, 2013	June 30, 2012
Regional Infrastructure Charge	\$ 79,114,278	\$ 16,193,130
Sales Tax	48,847,306	46,222,883
Regional Commodity Charge	40,991,496	40,666,192
Regional Connection Charge ^{1/}	22,915,416	13,892,856
Contributed Capital - Cash and Equivalents	6,878,221	8,857,397
Regional Reliability Charge	4,649,642	4,597,700
Purveyor Member Debt Service Billings	2,522,698	5,249,614
Total Capital Contributions	\$ 205,919,057	\$ 135,679,772

1/ Adjusted by Pending Regional Connection Charge Refund Contingency. See Note 13.

Capital contributions presented in the Statement of Cash Flows differ somewhat from the amounts above because of accruals and use of some contributed capital for operating expenses. The differences in capital contributions for the fiscal years ended June 30, 2013 and 2012 were as follows:

Reconciliation Of Capital Contributions

Type	June 30, 2013	June 30, 2012
Capital Contributions per Income Statement	\$ 205,919,057	\$ 135,679,772
Operating Expenses Paid By Contributed Capital	(11,886,752)	(11,470,927)
Net Prior & Current Year Sales Tax Receivables	(652,680)	(831,039)
Net Prior & Current Year Sales Tax Payable To Rurals	(2,143,516)	2,715,504
Net Prior & Current Year Connection, Commodity, & Reliability Receivables	(241,091)	(10,904,590)
Capital Contributions Per Statement of Cash Flows	\$ 190,995,018	\$ 115,188,720

Boulder City and Nellis Air Force Base Interlocal Agreements

In addition to the revenues shown above, SNWA currently holds interlocal agreements with the City of Boulder City and Nellis Air Force Base. Neither of these SNWA members collects regional connection charges, regional commodity charges, regional reliability surcharges or regional infrastructure surcharges which help pay for many SNWA capital projects including the current Lake Mead Intake No. 3 project. Both Boulder City and Nellis realize that the construction of the intake will provide additional reliability of water resources for their areas and have therefore agreed to pay for a portion of the construction cost through annual payments to SNWA. Payments from the interlocal agreements are in lieu of the regional charges mentioned above and will be classified as capital contributions when received in compliance with the American Institute of Certified Public Accountants audit and accounting guide, *State and Local Governments* 6.79.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

NOTE 17. RISK MANAGEMENT

SNWA is exposed to a variety of risks that may result in losses. These risks include possible losses related to torts; theft of, damage, or destruction of assets; extra expense; errors and omissions; job-related illnesses or injuries to employees; product liability claims; and natural disasters. SNWA manages these risks through a multifaceted approach, 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 \$100 million and \$50 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. Employee fidelity insurance in the amount of \$3 million and other miscellaneous coverage are also purchased. SNWA purchased a separate Builders Risk policy to insure the Lake Mead Intake No. 3 project during construction. The limit on this policy is \$580 million with deductibles of \$1 million for all underground works losses and earthquakes, \$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 \$580 million and a deductible of \$100,000.

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 \$500 million per contract, with a \$50,000 deductible per claim, except earthquake and flood where the deductible is \$500,000 per claim. This coverage is included under the property insurance policy.

For the fiscal year ended June 30, 2013, 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 three 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. As of June 30, 2013, SNWA has no significant retained risks and therefore has no accrued liability for retained risks. 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, 2013, 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.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2013, and 2012

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.

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 and benefits.

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, 2013, the SNWA wholesale delivery charge was increased from \$293/AF to \$303/AF. The raw water wholesale delivery charge was also increased from \$226/AF to \$232/AF. If sales volumes stay consistent with fiscal 2012, these increases will generate approximately \$4.0 million of additional annual revenue.

SNWA Infrastructure Surcharge (SIS)

On September 26, 2013, the Board approved an increase in the SIS effective January 1, 2014. The Board approved the existing SIS in 2012 and was told at that time that an additional increase would probably be required by fiscal 2016 to help pay for a spike in debt service payments of approximately \$62 million.

The Board requested a citizens' advisory committee be formed to review proposed increases in the rate for future periods. The committee recommended that 1) current SIS charges based solely on meter size and customer class be retained, 2) any increases that are required be spread between an increase in the fixed charge and an increase in the volumetric SNWA Commodity Charge in a ratio of 50%/50%, and 3) increases needed to provide funding for the 2016 debt spike be phased-in over a three year period.

Additional revenue projected to be generated by the phase-in is approximately \$5.1 million for fiscal 2014, \$15.8 million for fiscal 2015 and \$28.5 million for fiscal 2016.

Patricia Mulroy Retirement

On September 22, 2013, Patricia Mulroy, General Manager of SNWA, announced her retirement. Ms. Mulroy has been the only General Manager that SNWA has had since its creation in 1991. Though no firm date has been set as of the report date, Ms. Mulroy plans to depart from SNWA in early 2014. The Board will be in charge of appointing her successor.

This page left intentionally blank

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.

<u>Contents</u>	<u>Page</u>
Financial Trends Information	3-3 to 3-6
<i>These Schedules contain information to help the reader understand how SNWA's financial performance and well being have changed over time.</i>	
Revenue Capacity Information	3-7 to 3-17
<i>These schedules contain information to help the reader assess SNWA's most significant local revenue sources.</i>	
Debt Capacity Information	3-18 to 3-20
<i>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.</i>	
<i>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.</i>	
Demographic and Economic Information	3-21 to 3-27
<i>These schedules offer demographic and economic indicators to aid the reader in understanding the environment in which SNWA's financial activities takes place.</i>	
Operating Information	3-28 to 3-30
<i>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.</i>	
Other Information	3-31 to 3-50
<i>These schedules contain debt history and individual amortization schedules to help the reader understand SNWA's debt position both historically and in the future.</i>	

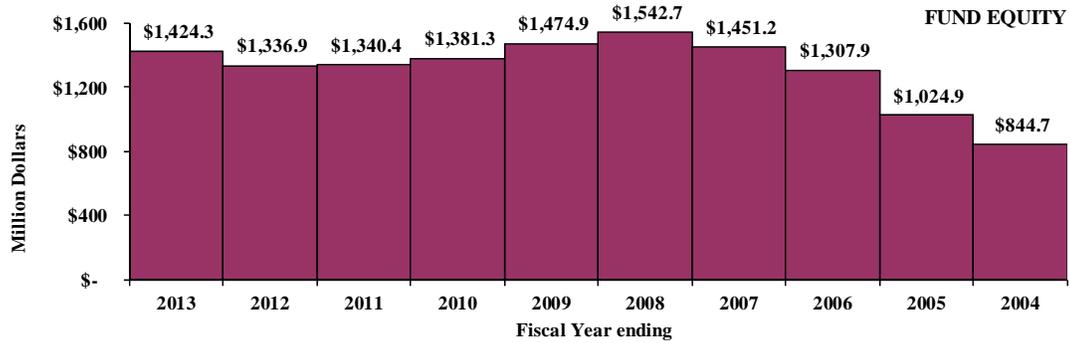
This page left intentionally blank

**Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Net Position
Last Ten Fiscal Years**

	Fiscal Year Ended June 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Invested In Capital Assets, Net of Related Debt	\$ 1,002,302,170	\$ 995,159,156	\$ 962,800,479	\$ 984,695,999	\$ 953,273,244
Restricted	15,122,934	22,736,730	13,049,575	16,866,340	15,178,151
Unrestricted ^{1/}	406,887,453	319,037,966	364,557,983	379,702,030	506,480,037
Total Net Position	\$ 1,424,312,557	\$ 1,336,933,852	\$ 1,340,408,037	\$ 1,381,264,369	\$ 1,474,931,432

	Fiscal Year Ended June 30				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Invested In Capital Assets, Net of Related Debt	\$ 1,050,436,099	\$ 879,151,397	\$ 722,024,246	\$ 577,586,397	\$ 530,779,301
Restricted	102,040,416	50,122,513	23,331,858	52,240,725	16,083,037
Unrestricted ^{1/}	390,234,075	521,884,671	562,531,407	395,053,871	297,863,688
Total Net Position	\$ 1,542,710,590	\$ 1,451,158,581	\$ 1,307,887,511	\$ 1,024,880,993	\$ 844,726,026

1/ Amounts after 2006 modified with a pending regional connection charge contingency.



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

Page 1 of 3

	Fiscal Year Ended June 30		
	<u>2013^{1/}</u>	<u>2012^{1//}</u>	<u>2011^{1/}</u>
Operating Revenues			
Wholesale Delivery Charges	\$ 117,534,578	\$ 119,239,660	\$ 119,457,411
Groundwater Program Revenue	863,417	867,716	894,502
Purveyor Administration Costs Billings	383,443	318,886	362,263
Las Vegas Wash Revenues	397,708	397,407	397,408
Other Revenues	3,525,867	2,705,745	2,950,612
	<u>122,705,013</u>	<u>123,529,414</u>	<u>124,062,196</u>
Operating Expenses			
Personnel and Related	(43,880,414)	(43,450,464)	(42,491,203)
Energy	(36,347,165)	(44,527,798)	(36,013,713)
Operation and Maintenance	(27,943,415)	(37,685,150)	(34,357,566)
Depreciation	(74,943,316)	(74,918,789)	(74,381,219)
	<u>(183,114,310)</u>	<u>(200,582,201)</u>	<u>(187,243,701)</u>
Total Operating Expenses	<u>(183,114,310)</u>	<u>(200,582,201)</u>	<u>(187,243,701)</u>
Operating Loss	<u>(60,409,297)</u>	<u>(77,052,788)</u>	<u>(63,181,505)</u>
Non Operating Revenues and (Expenses)			
Investment Income	740,407	869,505	1,024,158
Credit Payment Income	10,316,798	10,867,008	10,896,699
Interest Expense	(64,010,853)	(67,567,023)	(79,960,800)
Amortization of Refunding Costs	(2,926,272)	(2,254,389)	(1,079,554)
Bond Issue and Commercial			
Paper Costs ^{2/}	(5,606,185)	(7,264,123)	(5,153,406)
Amortization of Bond Issue Costs,			
Premiums and Discounts ^{3/}	3,291,755	3,211,357	3,452,152
Gain/(Loss) on Sale of Assets	63,295	37,112	53,733
	<u>(58,131,055)</u>	<u>(62,100,553)</u>	<u>(70,767,019)</u>
Total Non-Operating Revenues (Expenses)	<u>(58,131,055)</u>	<u>(62,100,553)</u>	<u>(70,767,019)</u>
Loss Before Capital Contributions	<u>(118,540,352)</u>	<u>(139,153,341)</u>	<u>(133,948,524)</u>
Capital Contributions	<u>205,919,057</u>	<u>135,679,772</u>	<u>93,092,191</u>
Change in Net Position	<u>87,378,705</u>	<u>(3,473,568)</u>	<u>(40,856,333)</u>
Net Position - Beginning of Year	1,336,933,852	1,340,407,420	1,381,263,753
Net Position - End of Year	<u>\$ 1,424,312,557</u>	<u>\$ 1,336,933,852</u>	<u>\$ 1,340,407,420</u>

continued on next page

1/ Amounts from 2007 to 2013 were modified with a pending regional connection charge contingency.

2/ Per GASB 65, bond issue costs must be expensed in the year they occur. SNWA adopted GASB 65 with the fiscal 2010 financial information.

3/ Fiscal years 2009 and earlier contain the amortization of bond issue costs.

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

Page 2 of 3

	Fiscal Year Ended June 30		
	<u>2010^{1/}</u>	<u>2009^{1/}</u>	<u>2008^{1/}</u>
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)
Energy	(39,656,635)	(40,184,442)	(35,233,331)
Operation and Maintenance	(45,801,462)	(73,740,385)	(63,839,825)
Depreciation	(76,350,465)	(66,726,519)	(59,173,267)
Total Operating Expenses	(199,756,584)	(220,322,860)	(195,676,904)
Operating Loss	(85,182,146)	(102,005,096)	(71,342,869)
Non Operating Revenues and (Expenses)			
Investment Income	1,374,146	10,709,321	24,494,593
Credit Payment Income	6,442,781	-	-
Interest Expense	(75,369,159)	(69,887,704)	(67,939,173)
Amortization of Refunding Costs	(969,032)	(1,118,050)	(1,286,877)
Bond Issue and Commercial			
Paper Costs ^{2/}	(5,473,902)	(2,249,341)	(866,470)
Amortization of Bond Issue Costs,			
Premiums and Discounts ^{3/}	3,537,813	2,877,933	1,810,746
Gain/(Loss) on Sale of Assets	(5,051)	(753,735)	5,200
Total Non-Operating Revenues (Expenses)	(70,462,404)	(60,421,576)	(43,781,981)
Loss Before Capital Contributions	(155,644,550)	(162,426,672)	(115,124,850)
Capital Contributions	75,876,870	94,647,515	206,676,859
Change in Net Position	(79,767,680)	(67,779,157)	91,552,009
Net Position - Beginning of Year	1,474,931,433	1,542,710,590	1,451,158,581
Adjustment per GASB 65 ^{4/}	(13,900,000)		
Net Position - End of Year	\$ 1,381,263,753	\$ 1,474,931,433	\$ 1,542,710,590

continued on next page

1/ Amounts from 2007 to 2013 were modified with a pending regional connection charge contingency.

2/ Per GASB 65, bond issue costs must be expensed in the year they occur. SNWA adopted GASB 65 with the fiscal 2010 financial information.

3/ Fiscal years 2009 and earlier contain the amortization of bond issue costs.

4/ GASB 65 adopted April 2010. This entry eliminated the unamortized bond issue cost asset from SNWA's books.

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

Page 3 of 3

	Fiscal Year Ended June 30			
	<u>2007^{1/}</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Operating Revenues				
Wholesale Delivery Charges	\$ 121,449,812	\$ 115,532,042	\$ 100,460,557	\$ 97,162,446
Groundwater Program Revenue	1,953,768	1,952,143	2,039,010	2,114,246
Purveyor Administration Costs Billings	359,042	351,527	361,958	321,253
Las Vegas Wash Revenues	842,700	1,074,374	1,071,600	1,037,400
Other Revenues	1,586,346	-	-	-
Total Operating Revenues	126,191,668	118,910,086	103,933,125	100,635,345
Operating Expenses				
Personnel and Related	(33,754,022)	(32,131,870)	(29,082,767)	(26,536,039)
Energy	(47,268,452)	(56,584,777)	(54,461,787)	(55,632,005)
Operation and Maintenance	(43,170,486)	(38,966,643)	(51,321,569)	(42,265,915)
Depreciation	(53,622,679)	(50,759,972)	(48,611,272)	(38,677,877)
Total Operating Expenses	(177,815,639)	(178,443,262)	(183,477,395)	(163,111,836)
Operating Loss	(51,623,971)	(59,533,176)	(79,544,270)	(62,476,491)
Non Operating Revenues and (Expenses)				
Investment Income	29,484,713	13,370,675	13,887,489	408,524
Credit Payment Income	-	-	-	-
Interest Expense	(71,907,034)	(66,724,948)	(64,898,632)	(61,809,663)
Amortization of Refunding Costs	(1,467,458)	(978,821)	(186,214)	(21,056)
Bond Issue and Commercial				
Paper Costs ^{2/}	(903,956)	(1,104,630)	(713,549)	(1,202,859)
Amortization of Bond Issue Costs,				
Premiums and Discounts ^{3/}	1,443,992	1,079,301	57,933	355,767
Gain/(Loss) on Sale of Assets	835,062	491,492	1,136	2,363
Total Non-Operating Revenues (Expenses)	(42,514,681)	(53,866,931)	(51,851,837)	(62,266,924)
Loss Before Capital Contributions	(94,138,652)	(113,400,106)	(131,396,106)	(124,743,414)
Capital Contributions	237,409,722	396,406,624	311,551,073	243,049,902
Change in Net Position	143,271,070	283,006,518	180,154,967	118,306,488
Net Position - Beginning of Year	1,307,887,511	1,024,880,993	844,726,027	726,419,539
Net Position - End of Year	\$ 1,451,158,581	\$ 1,307,887,511	\$ 1,024,880,993	\$ 844,726,027

1/ Amounts from 2007 to 2013 were modified with a pending regional connection charge contingency.

2/ Per GASB 65, bond issue costs must be expensed in the year they occur. SNWA adopted GASB 65 with the fiscal 2010 financial information.

3/ Fiscal years 2009 and earlier contain the amortization of bond issue costs.

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

	Fiscal Year Ended June 30			
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Las Vegas Valley Water District	\$ 16,232,230	\$ 10,265,102	\$ 7,504,785	\$ (581,358)
City of Henderson	1,581,160	3,195,930	3,529,771	2,008,270
City of North Las Vegas	1,228,630	330,050	(258,942)	2,117,669
Total Connection Charge Collections	\$ 19,042,020	\$ 13,791,082	\$ 10,775,614	\$ 3,544,581
Less net adjustment to Pending Regional Connection Charge Refund ^{2/}	3,873,396	101,774	(4,172,886)	1,764,966
Adjusted Connection Charge Collections	\$ 22,915,416	\$ 13,892,856	\$ 6,602,728	\$ 5,309,547
Average Effective Rate per Blended Equivalent^{3/}	\$ 4,870	\$ 4,870	\$ 4,870	\$ 4,870

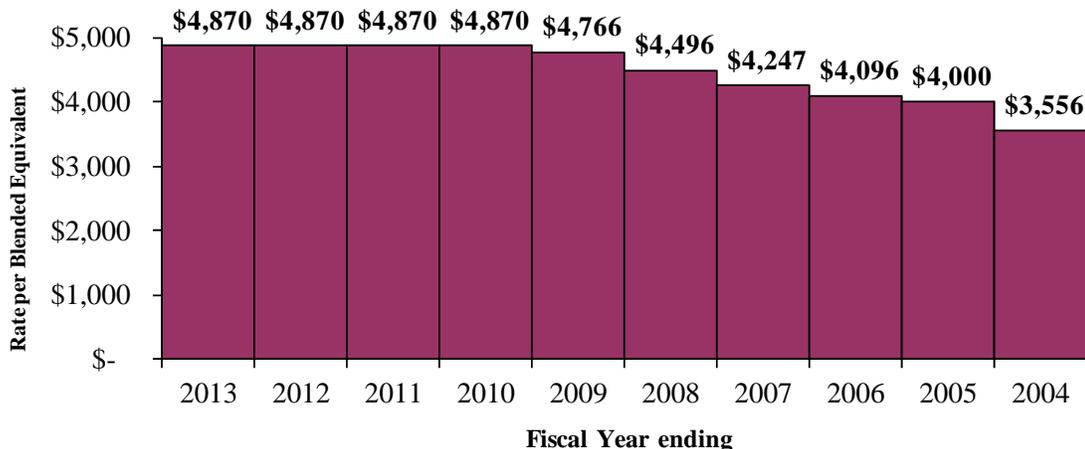
Continued on next page

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 16 to the Basic Financial Statements.

2/ Beginning in fiscal 2007 annual net cash collections of connection charges were modified by a loss contingency. The adjusted amount corresponds with the capital contributions section of the financial statements (Note 16).

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.

AVERAGE EFFECTIVE RATE PER BLENDED EQUIVALENT



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>2009</u>	<u>2008</u>	<u>2007</u>
Las Vegas Valley Water District	\$ 17,943,571	\$ 40,672,561	\$ 83,294,414
City of Henderson	4,855,790	11,184,662	22,396,474
City of North Las Vegas	4,607,510	9,655,650	15,668,200
Total Connection Charge Collections	\$ 27,406,871	\$ 61,512,873	\$ 121,359,088
Less net adjustment to Pending			
Regional Connection Charge Refund ^{2/}	(617,716)	(4,194,769)	(1,797,880)
Adjusted Connection Charge Collections	\$ 26,789,155	\$ 57,318,104	\$ 119,561,208
Average Effective Rate per			
Blended Equivalent ^{3/}	\$ 4,766	\$ 4,496	\$ 4,247

	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

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 16 to the Basic Financial Statements.

2/ Beginning in fiscal 2007 annual net cash collections of connection charges were modified by a loss contingency. The adjusted amount corresponds with the capital contributions section of the financial statements (Note 16).

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)
Pending Regional Connection Charges
Refund Contingency**

Page 1 of 2

Pending Regional Connection Charge Refund Contingency			
	Fiscal Year Ended June 30		
	<u>2013</u>	<u>2012</u>	<u>2011</u>
Las Vegas Valley Water District	\$ 2,217,149	\$ 4,355,689	\$ 4,420,439
City of Henderson	929,782	1,257,430	3,589,676
City of North Las Vegas	1,896,184	3,303,392	1,008,170
Total Pending Regional Connection Charge Refund Contingency	\$ 5,043,115	\$ 8,916,511	\$ 9,018,285

	Fiscal Year Ended June 30			
	<u>2010</u> ^{1/}	<u>2009</u> ^{1/}	<u>2008</u> ^{1/}	<u>2007</u> ^{1/}
Las Vegas Valley Water District	\$ 4,845,399	\$ 6,610,365	\$ 5,992,649	\$ 1,797,880
City of Henderson	-	-	-	-
City of North Las Vegas	-	-	-	-
Total Pending Regional Connection Charge Refund Contingency	\$ 4,845,399	\$ 6,610,365	\$ 5,992,649	\$ 1,797,880

Actual Refunds			
	Fiscal Year Ended June 30		
	<u>2013</u>	<u>2012</u>	<u>2011</u>
Las Vegas Valley Water District	\$ 1,340,120	\$ 1,593,238	\$ 2,139,595
City of Henderson	1,206,150	32,910	99,059
City of North Las Vegas	658,870	162,410	1,008,170
Total Actual Refunds	\$ 3,205,140	\$ 1,788,558	\$ 3,246,824

Actual Refunds	Fiscal Year Ended June 30			
	<u>2010</u> ^{1/}	<u>2009</u> ^{1/}	<u>2008</u> ^{1/}	<u>2007</u> ^{1/}
Las Vegas Valley Water District	\$ 5,838,268	\$ 2,750,260	\$ 2,860,149	\$ 1,313,640
City of Henderson	-	-	-	-
City of North Las Vegas	-	-	-	-
Total Actual Refunds	\$ 5,838,268	\$ 2,750,260	\$ 2,860,149	\$ 1,313,640

**Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Pending Regional Connection Charges
Refund Contingency (continued)**

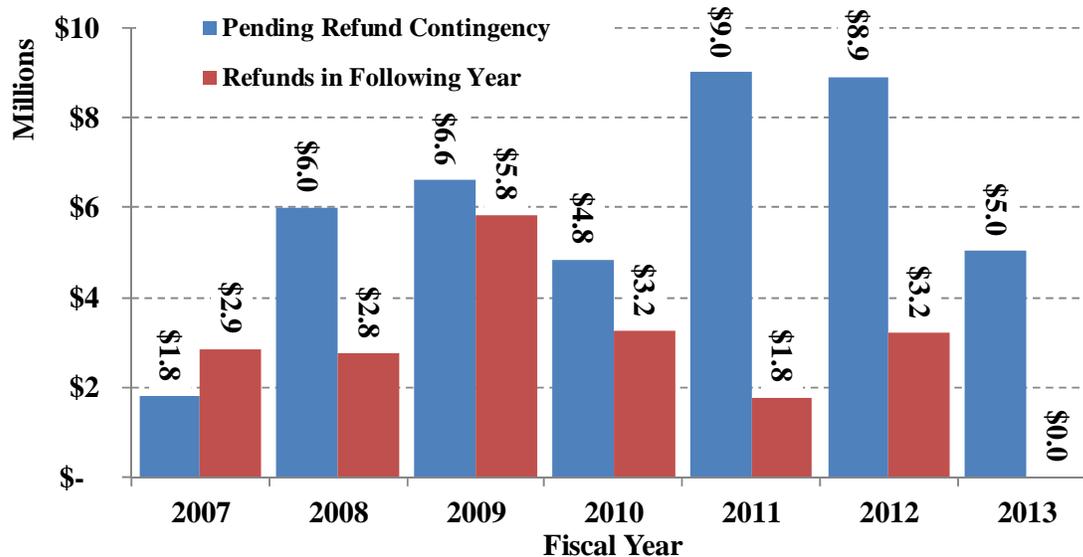
Contingency Coverage (comparing to following year) ^{2/}

	Fiscal Year Ended June 30		
	<u>2013</u>	<u>2012</u>	<u>2011</u>
Las Vegas Valley Water District	N/A	3.3	2.8
City of Henderson	N/A	1.0	109.1
City of North Las Vegas	N/A	5.0	6.2
Total Contingency Coverage	N/A	2.8	5.0

	Fiscal Year Ended June 30			
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Las Vegas Valley Water District	2.3	1.1	2.2	0.6
City of Henderson	1/	1/	1/	1/
City of North Las Vegas	1/	1/	1/	1/
Total Contingency Coverage	1.5	1.1	2.2	0.6

1/ Prior to Fiscal 2011, SNWA did not request projected refunds from City of Henderson or City of North Las Vegas. Information from 2010 and previous represents data obtained from the Las Vegas Valley Water District only.

2/ Year 1's Pending Regional Commodity Charge Refund Contingency divided by actual refunds in Year 2.



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

Page 1 of 3

		Fiscal year ended June 30,					
		2013	2012	2011	2010	2009	
		July 12 to <u>Jun 13</u>	July 11 to <u>Jun 12</u>	July 10 to <u>Jun 11</u>	July 09 to <u>Jun 10</u>	Nov 08 to <u>Jun 09</u>	Jul 08 to <u>Oct 08</u>
Residential - 8 or fewer units per acre							
5/8"	\$ 4,870	\$ 4,870	\$ 4,870	\$ 4,870	\$ 4,870	\$ 4,870	\$ 4,710
3/4"	4,870	4,870	4,870	4,870	4,870	4,870	4,710
1"	9,610	9,610	9,610	9,610	9,610	9,610	9,300
1 1/2"	19,170	19,170	19,170	19,170	19,170	19,170	18,560
2"	30,680	30,680	30,680	30,680	30,680	30,680	29,700
Residential - more than 8 units per acre							
Per Dwelling Unit							
Individually Metered	\$ 3,400	\$ 3,400	\$ 3,400	\$ 3,400	\$ 3,400	\$ 3,400	\$ 3,210
Master Metered	3,400	3,400	3,400	3,400	3,400	3,400	3,210
Non Residential excluding hotels, motels, golf courses and laundries							
5/8"	\$ 4,870	\$ 4,870	\$ 4,870	\$ 4,870	\$ 4,870	\$ 4,870	\$ 4,710
3/4"	4,870	4,870	4,870	4,870	4,870	4,870	4,710
1"	9,610	9,610	9,610	9,610	9,610	9,610	9,300
1 1/2"	19,170	19,170	19,170	19,170	19,170	19,170	18,560
2"	64,260	64,260	64,260	64,260	64,260	64,260	60,060
3"	237,900	237,900	237,900	237,900	237,900	237,900	216,610
4"	353,100	353,100	353,100	353,100	353,100	353,100	326,310
6" and larger, per thousand gallons estimated annual use	\$ 29.20	\$ 29.20	\$ 29.20	\$ 29.20	\$ 29.20	\$ 29.20	\$ 26.50
Hotels / Motels							
Per Room	\$ 2,780	\$ 2,780	\$ 2,780	\$ 2,780	\$ 2,780	\$ 2,780	\$ 2,690
Golf Courses							
Per Irrigated Acre	\$ 45,640	\$ 45,640	\$ 45,640	\$ 45,640	\$ 45,640	\$ 45,640	\$ 43,870
RV Parks							
Per Space	\$ 1,380	\$ 1,380	\$ 1,380	\$ 1,380	\$ 1,380	\$ 1,380	\$ 1,340
Industrial Laundries							
5/8"	\$ 76,800	\$ 76,800	\$ 76,800	\$ 76,800	\$ 76,800	\$ 76,800	\$ 74,350
3/4"	76,800	76,800	76,800	76,800	76,800	76,800	74,350
1"	151,460	151,460	151,460	151,460	151,460	151,460	146,620
1 1/2"	302,950	302,950	302,950	302,950	302,950	302,950	293,270
2"	484,700	484,700	484,700	484,700	484,700	484,700	469,220
3"	969,400	969,400	969,400	969,400	969,400	969,400	938,430
4"	1,514,690	1,514,690	1,514,690	1,514,690	1,514,690	1,514,690	1,466,300
6"	3,029,360	3,029,360	3,029,360	3,029,360	3,029,360	3,029,360	2,932,580
8"	4,846,980	4,846,980	4,846,980	4,846,980	4,846,980	4,846,980	4,692,140
10"	6,967,540	6,967,540	6,967,540	6,967,540	6,967,540	6,967,540	6,744,960

Continued on next page

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

Page 2 of 3

		Fiscal year ended June 30,					
		2008			2007		
		May 08 to Jun 08	Nov 07 to Apr 08	Jul 07 to Oct 07	May 07 to Jun 07	Nov 06 to Apr 07	Jul 06 to Oct 06
Residential - 8 or fewer units per acre							
	5/8"	\$ 4,710	\$ 4,560	\$ 4,410	\$ 4,410	\$ 4,270	\$ 4,130
	3/4"	4,710	4,560	4,410	4,410	4,270	4,130
	1"	9,300	9,000	8,710	8,710	8,430	8,160
	1 1/2"	18,560	17,970	17,400	17,400	16,840	16,300
	2"	29,700	28,750	27,830	27,830	26,940	26,080
Residential - more than 8 units per acre							
Per Dwelling Unit							
	Individually Metered	\$ 3,210	\$ 3,030	\$ 2,860	\$ 2,860	\$ 2,700	\$ 2,550
	Master Metered	3,210	3,030	2,860	2,860	2,700	2,550
Non Residential excluding hotels, motels, golf courses and laundries							
	5/8"	\$ 4,710	\$ 4,560	\$ 4,410	\$ 4,410	\$ 4,270	\$ 4,130
	3/4"	4,710	4,560	4,410	4,410	4,270	4,130
	1"	9,300	9,000	8,710	8,710	8,430	8,160
	1 1/2"	18,560	17,970	17,400	17,400	16,840	16,300
	2"	60,060	56,130	52,460	52,460	49,030	45,820
	3"	216,610	197,220	179,570	179,570	163,500	148,780
	4"	326,310	301,550	278,670	278,670	257,530	237,990
	6" and larger, per thousand gallons estimated annual use	\$ 26.50	\$ 24.00	\$ 21.80	\$ 21.80	\$ 19.80	\$ 18.00
Hotels / Motels							
	Per Room	\$ 2,690	\$ 2,600	\$ 2,520	\$ 2,520	\$ 2,440	\$ 2,360
Golf Courses							
	Per Irrigated Acre	\$ 43,870	\$ 42,170	\$ 40,530	\$ 40,530	\$ 38,960	\$ 37,450
RV Parks							
	Per Space	\$ 1,340	\$ 1,300	\$ 1,260	\$ 1,260	\$ 1,220	\$ 1,180
Industrial Laundries							
	5/8"	\$ 74,350	\$ 71,970	\$ 69,670	\$ 69,670	\$ 67,440	\$ 65,290
	3/4"	74,350	71,970	69,670	69,670	67,440	65,290
	1"	146,620	141,940	137,410	137,410	133,020	128,770
	1 1/2"	293,270	283,900	274,830	274,830	266,050	257,550
	2"	469,220	454,230	439,720	439,720	425,670	412,070
	3"	938,430	908,450	879,430	879,430	851,340	824,140
	4"	1,466,300	1,419,460	1,374,110	1,374,110	1,330,210	1,287,720
	6"	2,932,580	2,838,900	2,748,210	2,748,210	2,660,420	2,575,430
	8"	4,692,140	4,542,250	4,397,140	4,397,140	4,256,670	4,120,690
	10"	6,744,960	6,529,490	6,320,900	6,320,900	6,118,970	5,923,490

Continued on next page

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

Page 3 of 3

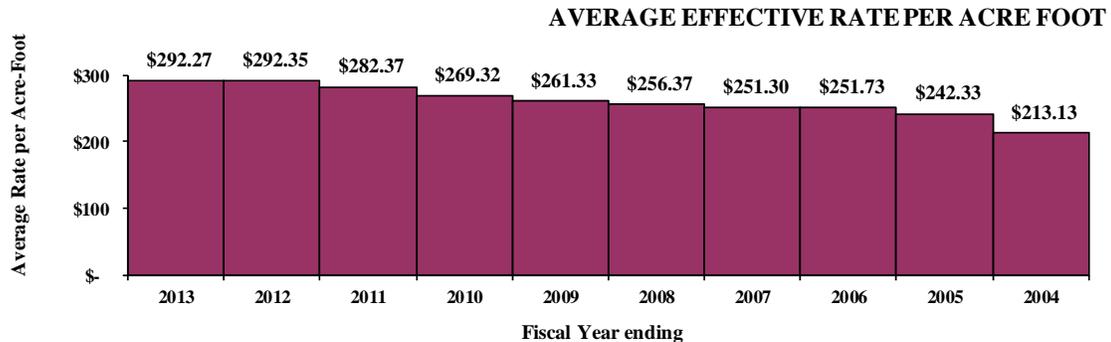
	Fiscal year ended June 30,					
	2006		2005		2004	
	May 06 to <u>Jun 06</u>	Nov 05 to <u>Apr 06</u>	Jul 05 to <u>Oct 05</u>	Jul 04 to <u>Jun 05</u>	Feb 04 to <u>Jun 04</u>	Jul 03 to <u>Jan 04</u>
Residential - 8 or fewer units per acre						
5/8"	\$ 4,130	\$ 4,000	\$ 3,560	\$ 3,560	\$ 3,560	\$ 3,520
3/4"	4,130	4,000	3,560	3,560	3,560	3,520
1"	8,160	7,900	7,030	7,030	7,030	6,960
1 1/2"	16,300	15,780	14,040	14,040	14,040	13,900
2"	26,080	25,250	22,470	22,470	22,470	22,250
Residential - more than 8 units per acre Per Dwelling Unit						
Individually Metered	\$ 2,550	\$ 2,400	\$ 2,136	\$ 2,136	\$ 2,136	\$ 2,112
Master Metered	2,550	2,400	2,136	2,136	2,136	1,924
Non Residential excluding hotels, motels, golf courses and laundries						
5/8"	\$ 4,130	\$ 4,000	\$ 3,560	\$ 3,560	\$ 3,560	\$ 3,520
3/4"	4,130	4,000	3,560	3,560	3,560	3,520
1"	8,160	7,900	7,030	7,030	7,030	6,960
1 1/2"	16,300	15,780	14,040	14,040	14,040	13,900
2"	45,820	42,820	38,110	38,110	38,110	34,760
3"	148,780	135,550	120,640	120,640	120,640	105,070
4"	237,990	219,930	195,740	195,740	195,740	169,960
6" and larger, per thousand gallons estimated annual use	\$ 18.00	\$ 16.30	\$ 14.48	\$ 14.48	\$ 14.48	\$ 12.22
Hotels / Motels						
Per Room	\$ 2,360	\$ 2,280	\$ 2,029	\$ 2,029	\$ 2,029	\$ 1,671
Golf Courses						
Per Irrigated Acre	\$ 37,450	\$ 36,000	\$ 32,040	\$ 32,040	\$ 32,040	\$ 25,886
RV Parks						
Per Space	\$ 1,180	\$ 1,140	\$ 1,015	\$ 1,015	\$ 1,015	\$ 836
Industrial Laundries						
5/8"	\$ 65,290	\$ 63,200	\$ 56,250	\$ 56,250	\$ 56,250	\$ 45,680
3/4"	65,290	63,200	56,250	56,250	56,250	45,680
1"	128,770	124,660	110,950	110,950	110,950	90,100
1 1/2"	257,550	249,320	221,890	221,890	221,890	180,190
2"	412,070	398,910	355,030	355,030	355,030	288,300
3"	824,140	797,810	710,050	710,050	710,050	576,590
4"	1,287,720	1,246,580	1,109,450	1,109,450	1,109,450	900,920
6"	2,575,430	2,493,160	2,218,900	2,218,900	2,218,900	1,801,850
8"	4,120,690	3,989,050	3,550,240	3,550,240	3,550,240	2,882,960
10"	5,923,490	5,734,260	5,103,470	5,103,470	5,103,470	4,144,250

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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Las Vegas Valley Water District	\$ 83,269,369	\$ 83,406,085	\$ 83,958,256	\$ 76,424,085	\$ 79,085,752
City of Henderson	18,203,343	18,590,766	18,186,274	17,034,887	16,928,183
City of North Las Vegas	13,013,158	14,099,100	14,222,462	13,581,423	13,442,152
City of Boulder City	2,795,461	2,876,584	2,779,302	2,706,123	2,675,997
Nellis Air Force Base	253,247	267,125	311,117	350,850	419,890
Total Wholesale Delivery Charge Collections	\$ 117,534,578	\$ 119,239,660	\$ 119,457,411	\$ 110,097,368	\$ 112,551,974
Average Effective Rate per Acre-Foot	\$ 292.27	\$ 292.35	\$ 282.37	\$ 269.32	\$ 261.33

	Fiscal Year Ended June 30				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Las Vegas Valley Water District	\$ 84,407,754	\$ 86,738,398	\$ 82,658,798	\$ 72,173,474	\$ 71,241,372
City of Henderson	17,192,550	17,574,018	16,745,595	15,143,461	13,484,000
City of North Las Vegas	13,874,638	13,969,835	13,147,489	10,472,255	9,713,658
City of Boulder City	2,727,909	2,621,610	2,540,316	2,282,861	2,374,060
Nellis Air Force Base	580,131	545,951	439,844	388,506	349,356
Total Wholesale Delivery Charge Collections	\$ 118,782,982	\$ 121,449,812	\$ 115,532,042	\$ 100,460,557	\$ 97,162,446
Average Effective Rate per Acre-Foot	\$ 256.37	\$ 251.30	\$ 251.73	\$ 242.33	\$ 213.13

May be off slightly due to rounding



**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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Charge per					
Acre-Foot*	\$ 293.00	\$ 293.00	\$ 283.00	\$ 270.00	\$ 262.00

	Fiscal Year Ended June 30				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Charge per					
Acre-Foot*	\$ 257.00	\$ 252.00	\$ 252.00	\$ 243.00	\$ 215.00

* 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)
Regional Infrastructure Surcharges ^{1/}
Revenue Base / Principal Revenue Payers
Last Ten Fiscal Years

<u>Participants</u>	Fiscal Year Ended June 30	
	<u>2013</u>	<u>2012^{2/}</u>
Las Vegas Valley Water District	\$ 56,810,256	\$ 12,659,145
City of Henderson	9,916,987	1,248,412
City of North Las Vegas	11,643,459	2,285,573
City of Boulder City ^{3/}	546,637	
Big Bend Water District ^{3/}	196,939	
Total Connection Charge Collections	\$ 79,114,278	\$ 16,193,130

1/ Regional Infrastructure Surcharges are a component of Capital Contributions as displayed on the Statements of Revenues, Expenses, and Changes in Fund Equity. See Notes 1 and 16 to the Basic Financial Statements.

2/ Partial year collections. Las Vegas Valley Water District collected for three months while other purveyors collected for two months.

3/ These participants pay fees in lieu of Infrastructure Surcharge collections from the public. The amounts collected are credited to the Infrastructure Surcharge revenue source.

**Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Regional Infrastructure Surcharges
Revenue Rates by Service Size
Inception to June 30, 2013**

	Monthly Charge		
	Fiscal year ended June 30,		
	2013		2012
	Sept 12 to <u>June 13</u>	Jul 12 to <u>Aug 12</u>	Feb 12 to <u>June 12</u>
Residential - 5/8" & 3/4" meter sizes	\$ 5.00	\$ 5.00	\$ 5.00
Residential - 1" meter size	19.21	19.21	19.21
Residential - 1.5" meter size	38.41	38.41	38.41
Residential - 2" meter size	61.46	61.46	61.46
Residential - 3" meter size	122.90	122.90	122.90
Residential - 4" meter size	192.03	192.03	192.03
Residential - 6" meter size	384.05	384.05	384.05
Residential - 8" meter size and larger	614.47	614.47	614.47
Non-Residential - 5/8" & 3/4" meter sizes	19.05	19.05	19.05
Non-Residential - 1" meter size	36.08	36.08	36.08
Non-Residential - 1.5" meter size	72.16	72.16	72.16
Non-Residential - 2" meter size	115.45	115.45	115.45
Non-Residential - 3" meter size	230.90	230.90	230.90
Non-Residential - 4" meter size	360.79	360.79	360.79
Non-Residential - 6" meter size	721.57	721.57	721.57
Non-Residential - 8" meter size	1,154.50	1,154.50	1,154.50
Non-Residential - 10" and larger meter sizes	1,659.59	1,659.59	1,659.59
Non-Residential - 5/8" & 3/4" meter sizes Fire Meter	3.19	6.67	6.67
Non-Residential - 1" meter size Fire Meter	6.05	12.63	12.63
Non-Residential - 1.5" meter size Fire Meter	12.09	25.26	25.26
Non-Residential - 2" meter size Fire Meter	19.34	40.41	40.41
Non-Residential - 3" meter size Fire Meter	38.67	80.82	80.82
Non-Residential - 4" meter size Fire Meter	60.42	126.28	126.28
Non-Residential - 6" meter size Fire Meter	120.83	252.55	252.55
Non-Residential - 8" meter size Fire Meter	193.33	404.08	404.08
Non-Residential - 10" and larger meter sizes Fire Meter	277.91	580.86	580.86

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

In Million Dollars

Fiscal Year Ended June 30	General Obligation Bonds ⁽²⁾	Notes Payable/ Repayment Contracts	Commercial Paper	Total Debt ⁽³⁾
2013	\$3,107.1	\$10.4	\$400.0	\$3,517.5
2012	2,755.2	11.6	400.0	3,166.8
2011	2,737.5	12.7	400.0	3,150.2
2010	2,756.7	13.8	400.0	3,170.5
2009	2,285.5	21.3	400.0	2,706.7
2008	1,918.9	15.8	400.0	2,334.7
2007	1,962.4	16.8	400.0	2,379.2
2006	1,605.0	17.8	400.0	2,022.8
2005	1,635.2	18.7	300.0	1,953.8
2004	1,653.0	19.6	140.0	1,812.6

Fiscal Year Ended June 30	Debt as a Percent of Personal Income ⁽⁴⁾	Debt per Capita In Dollars ⁽⁵⁾
2013	4.6%	\$1,729
2012	4.3%	1,583
2011	4.5%	1,601
2010	4.7%	1,623
2009	4.0%	1,396
2008	3.1%	1,221
2007	3.3%	1,274
2006	2.9%	1,121
2005	3.0%	1,130
2004	3.2%	1,090

(1) Details of the Southern Nevada Water Authority's (SNWA) outstanding debt can be found in the Notes 14 and 15 to the Basic Financial Statements and in the Other Information section of the Statistical Section.

(2) Net of related premiums and discounts as required per GASB Comprehensive Implementation Guide 9.24.6

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

(4) Total debt divided by total Clark County personal income. Please see page 3-24 for personal income data.

(5) Total debt divided by total Clark County per capita income. Please see page 3-24 for population data.

Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Ratios of General Bonded Debt⁽¹⁾
Last Ten Fiscal Years

In Million Dollars					
Fiscal Year	General Obligation Secured with SNWA	Bonds with Sales Tax	Total General	Restricted for Repayment of	Net General Bonded
<u>Ended June 30</u>	<u>Revenues⁽²⁾</u>	<u>Pledge⁽²⁾⁽³⁾</u>	<u>Bonded Debt</u>	<u>Principal⁽⁴⁾</u>	<u>Debt</u>
2013	\$3,512.9	\$4.6	\$3,517.5	-\$16.9	\$3,500.6
2012	3,161.7	5.1	3,166.8	-15.1	3,151.7
2011	3,144.7	5.5	3,150.2	-31.9	3,118.4
2010	3,164.6	6.0	3,170.5	-31.2	3,139.3
2009	2,700.3	6.4	2,706.7	-55.8	2,650.9
2008	2,327.8	6.9	2,334.7	-48.9	2,285.8
2007	2,379.2		2,379.2	-47.2	2,332.0
2006	2,022.8		2,022.8	-44.3	1,978.5
2005	1,953.8		1,953.8	-38.1	1,915.7
2004	1,812.6		1,812.6	-36.4	1,776.2

Fiscal Year	Total Debt as Percent of Annual	Annual Debt Service as Percent of Annual
<u>Ended June 30</u>	<u>Applied Revenues⁽⁵⁾⁽⁶⁾</u>	<u>Applied Revenues⁽⁵⁾⁽⁷⁾</u>
2013	1122.3%	47.1%
2012	1308.8%	60.9%
2011	1506.6%	75.0%
2010	1746.2%	90.6%
2009	1296.5%	83.0%
2008	921.0%	62.0%
2007	740.5%	45.9%
2006	531.3%	37.8%
2005	566.8%	37.1%
2004	583.7%	39.3%

(1) Details of the Southern Nevada Water Authority's (SNWA) outstanding debt can be found in the Notes 14 and 15 to the Basic Financial Statements and in the Other Information section of the Statistical Section. As described in Note 1, 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) Only one debt issue (SNWA 2008 sub) has sales tax specifically pledged to it. All other issues are general obligation bonds with additional security of SNWA pledged revenues.

(4) One year's principal for all outstanding debt except commercial paper.

(5) Although SNWA can enact property tax through the agencies that issue debt on behalf of SNWA as explained in the Long Range Financial Planning section of the transmittal letter, SNWA has never sanctioned any property tax and does not plan to do so in the foreseeable future. Therefore alternate ratios have been used.

(6) 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, regional reliability surcharge, and regional infrastructure surcharge. Regional connection charges are adjusted by a refund contingency for fiscal year 2008 and forward. Additionally sales tax is included beginning in November 2006. Prior to this date, sales tax was used exclusively for pay-as-you-go construction.

(7) Total annual debt service (principal and interest) divided into total applied revenues as defined in (6) above.

Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Information about Debt Limitations and Pledged-Revenue Coverage

DEBT LIMITATIONS

The Authority does not have a dollar amount of debt limit. The Authority's ability to issue and pay its debt is a function of its capital needs and revenues generated from Authority facilities.

PLEGGED REVENUE COVERAGE

Fiscal Year	Pledged Revenues	Bonds with Sales Tax	Coverage
<u>Ended June 30</u>	<u>Sales Tax ⁽¹⁾</u>	<u>Pledge ⁽²⁾</u>	<u>Ratio</u>
2013	\$48,847,305	\$4,600,000	10.6
2012	46,222,883	5,060,000	9.1
2011	43,577,390	5,520,000	7.9
2010	41,833,183	5,980,000	7.0
2009	46,333,942	6,440,000	7.2
2008	53,315,770	6,900,000	7.7

(1) Sales tax collections are restricted by law to be used only for capital acquisition and retirement of debt. SNWA ended its pay-as-you-go capital program in fiscal 2007, so there are no other specific expenses that must be paid with sales tax exclusively.

(2) Only one debt issue (SNWA 2008 sub) has sales tax specifically pledged to it. All other issues are general obligation bonds with additional security of SNWA pledged revenues.

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

Page 1 of 3

	Fiscal Year Ended June 30,		
	2013	2012	2011
Sources of Funds			
Wholesale Delivery Charge	\$ 117,534,578	\$ 119,239,660	\$ 119,457,411
Regional Connection Charge ^{1/}	22,915,416	13,892,856	6,602,728
Regional Water Charges	45,641,138	45,263,892	37,335,440
Regional Infrastructure Surcharge	79,114,278	16,193,130	
Sales Tax	48,847,306	46,222,883	43,577,390
Groundwater Program Fees	863,417	867,716	894,502
Las Vegas Wash Program Fees	397,708	397,407	397,408
Interest Income & Capitalized Int	1,923,641	1,565,109	1,375,082
Other Revenues ^{2/}	3,909,310	3,024,631	3,590,639
Total Sources of Funds	321,146,792	246,667,284	213,230,600
Uses of Funds			
Energy	36,347,165	44,527,798	36,013,713
Personnel & Related	43,880,414	43,450,464	42,491,203
Operating Capital & Expenses	27,943,415	37,685,150	34,357,566
PAYG Capital Expenses ^{3/}			
Total Uses of Funds	108,170,994	125,663,412	112,862,482
Add Beginning Unrestricted Funds ^{4/}	308,634,591	305,553,937	366,951,904
Net Available for Debt Service	521,610,389	426,557,809	467,320,022
Total Existing Obligations			
Annual Debt Service ^{5/}	146,773,353	146,624,017	155,206,052
Debt Service Coverage Ratio	3.55	2.91	3.01

Continued on next page

1/ Prior to fiscal 2007, connection charges reflected the net cash received from this revenue source. Amounts for years after fiscal 2006 have been modified with a refund contingency.

2/Includes receipts from the Southern Nevada Public Lands Management Act (SNPLMA), raw water facilities charge and minor billings to purveyor members (Big Bend, City of Las Vegas and Clark County Reclamation District).

3/In 2008, SNWA ceased pay-as-you-go for the foreseeable future.

4/ Unrestricted funds include unrestricted cash and investments as shown on the Comprehensive Annual Financial Report and sales tax proceeds on hand regardless of classification.

5/Includes the interest amounts paid on the 2004 Commercial Paper Notes. Net of the BAB Credit received with respect to the 2009A Bonds and 2009C Bonds.

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

Page 2 of 3

	Fiscal Year Ended June 30,		
	2010	2009	2008
Sources of Funds			
Wholesale Delivery Charge	\$ 110,097,368	\$ 112,551,974	\$ 118,782,982
Regional Connection Charge ^{1/}	5,309,547	26,789,155	57,318,104
Regional Water Charges	22,538,155	18,791,878	18,777,117
Regional Infrastructure Surcharge			
Sales Tax	41,833,183	46,333,942	53,315,770
Groundwater Program Fees	872,104	2,047,626	1,976,911
Las Vegas Wash Program Fees	698,274	690,000	1,196,028
Interest Income & Capitalized Int	1,789,048	13,607,423	30,676,718
Other Revenues ^{2/}	4,652,559	3,104,737	5,843,187
Total Sources of Funds	187,790,238	223,916,735	287,886,817
Uses of Funds			
Energy	39,656,635	40,184,442	35,233,331
Personnel & Related	37,948,022	39,671,513	37,430,481
Operating Capital & Expenses	34,357,566	73,740,385	63,839,825
PAYG Capital Expenses ^{3/}			
Total Uses of Funds	111,962,223	153,596,340	136,503,637
Add Beginning Unrestricted Funds ^{4/}	442,315,079	423,601,762	505,592,327
Net Available for Debt Service	518,143,094	493,922,157	656,975,507
Total Existing Obligations			
Annual Debt Service ^{5/}	162,911,866	169,717,981	153,769,711
Debt Service Coverage Ratio	3.18	2.91	4.27

Continued on next page

1/ Prior to fiscal 2007, connection charges reflected the net cash received from this revenue source. Amounts for years after fiscal 2006 have been modified with a refund contingency.

2/ Includes receipts from the Southern Nevada Public Lands Management Act (SNPLMA), raw water facilities charge and minor billings to purveyor members (Big Bend, City of Las Vegas and Clark County Reclamation District).

3/ In 2008, SNWA ceased pay-as-you-go for the foreseeable future.

4/ Unrestricted funds include unrestricted cash and investments as shown on the Comprehensive Annual Financial Report and sales tax proceeds on hand regardless of classification.

5/ Includes the interest amounts paid on the 2004 Commercial Paper Notes. Net of the BAB Credit received in fiscal year 2010 with respect to the 2009A Bonds and 2009C Bonds.

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

Page 3 of 3

	Fiscal Year Ended June 30,			
	2007	2006	2005	2004
Sources of Funds				
Wholesale Delivery Charge	\$ 121,449,812	\$ 115,532,042	\$ 100,460,557	\$ 97,162,446
Regional Connection Charge ^{1/}	119,561,208	188,454,011	177,493,765	154,146,853
Regional Water Charges	18,829,058	14,213,843	10,101,548	10,139,199
Regional Infrastructure Surcharge				
Sales Tax	55,060,027	54,158,795	49,945,593	42,835,002
Groundwater Program Fees	1,953,768	1,952,143	2,039,010	2,114,246
Las Vegas Wash Program Fees	842,700	1,074,374	1,071,600	1,037,400
Interest Income & Capitalized Int	41,088,297	13,474,740	19,548,835	9,613,713
Other Revenues ^{2/}	41,594,501	137,335,841	69,010,167	35,928,848
Total Sources of Funds	400,379,371	526,195,789	429,671,075	352,977,707
Uses of Funds				
Energy	47,268,452	56,584,777	54,461,787	55,632,005
Personnel & Related	33,754,022	32,131,870	29,082,767	26,536,039
Operating Capital & Expenses	43,170,486	38,966,643	51,321,569	42,265,915
PAYG Capital Expenses ^{3/}	144,242,303	209,332,517	74,245,090	116,092,079
Total Uses of Funds	268,435,263	337,015,807	209,111,213	240,526,038
Add Beginning Unrestricted Funds ^{4/}	491,405,174	430,008,393	328,473,490	345,377,567
Net Available for Debt Service	623,349,282	619,188,375	549,033,352	457,829,236
Total Existing Obligations				
Annual Debt Service ^{5/}	144,484,915	140,855,868	125,502,473	119,659,294
Debt Service Coverage Ratio	4.31	4.40	4.37	3.83

1/ Prior to fiscal 2007, connection charges reflected the net cash received from this revenue source. Amounts for years after fiscal 2006 have been modified with a refund contingency.

2/ Includes receipts from the Southern Nevada Public Lands Management Act (SNPLMA), raw water facilities charge and minor billings to purveyormembers (Big Bend, City of Las Vegas and Clark County Reclamation District).

3/ In 2008, SNWA ceased pay-as-you-go for the foreseeable future.

4/ Unrestricted funds include unrestricted cash and investments as shown on the Comprehensive Annual Financial Report and sales tax proceeds on hand regardless of classification.

5/ Includes the interest amounts paid on the 2004 Commercial Paper Notes. Net of the BAB Credit received in fiscal year 2010 with respect to the 2009A Bonds and 2009C Bonds.

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Income (2)</u>	<u>Clark County Personal Income In Million \$ (2)</u>	<u>Median Household Income (3)</u>
2013	2,034,140	\$37,424	\$76,125.7	\$52,394
2012	2,000,759	36,542	73,111.7	51,159
2011	1,967,926	35,680	70,289.1	48,927
2010	1,953,422	34,668	67,738.3	52,610
2009	1,939,407	34,950	67,781.4	55,932
2008	1,912,349	38,842	74,279.8	58,874
2007	1,867,817	39,105	73,040.2	59,727
2006	1,803,774	38,183	68,874.1	59,119
2005	1,729,522	37,109	64,181.4	56,646
2004	1,662,773	33,959	56,465.9	54,380

<u>Fiscal Year</u>	<u>School Enrollment (4)</u>	<u>Total Labor Force Thousands (5)</u>	<u>Unemployment Rate (5)</u>
2013	311,429	992.0	10.1%
2012	308,447	980.7	12.1%
2011	309,893	992.0	14.4%
2010	309,476	970.7	15.3%
2009	311,240	974.5	13.0%
2008	308,783	960.7	6.3%
2007	302,763	933.5	4.6%
2006	291,510	910.0	4.4%
2005	280,275	915.4	4.3%
2004	269,960	870.6	4.7%

(1) Sources -- 2004 - 2009 U.S. Bureau of Economic Analysis, CA1-3 Population, Clark County, Nevada; 2010 to 2012, United States Census Bureau (estimates); 2013 trended

(2) Source -- U.S. Bureau of Economic Analysis, CA1-3, Clark County, Nevada, 2012 and 2013 trended.

(3) Source -- Automatic Data Processing report 2004 to 2011 ; 2012 and 2013 trended

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

(5) Source -- State of Nevada -- Department of Employment, Training and Rehabilitation (DETR), Clark County. In years where the DETR had conflicting information, the more conservative number was used.

**Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Secured Tax Roll
Clark County, Nevada
2013 - 2014**

<u>Taxpayer</u>	<u>Taxable Assessed</u>	<u>Taxable Appraised</u>
1. MGM Resorts International	\$ 2,277,163,442	\$ 6,506,181,263
2. NV Energy	1,713,383,806	4,895,382,303
3. Caesars Entertainment Corporation	1,487,183,551	4,249,095,860
4. Las Vegas Sands Corporation	838,249,998	2,394,999,994
5. Wynn Resorts Limited	660,875,539	1,888,215,826
6. Station Casinos Incorporated	452,546,828	1,292,990,937
7. Boyd Gaming Corporation	269,969,063	771,340,180
8. Southwest Gas Corporation	168,805,479	482,301,369
9. General Growth Properties Incorporated	165,123,869	471,782,483
10. Universal Health Services Incorporated	152,256,237	435,017,820
 Total 2013 - 2014	 <u>\$ 8,185,557,812</u>	 <u>\$ 23,387,308,035</u>

SOURCE: Clark County, Nevada, assessor's office

* Most recent data available

Southern Nevada Water Authority
Enterprise Fund
Top Ten Employers ⁽¹⁾⁽²⁾
Clark County, Nevada
Fiscal Year Ended June, 2012 and Fiscal Year Ended June, 2003

Employer Trade Name	FY 2012			FY 2003 ⁽³⁾		
	Employees	Ranking	(4)	Employees	Ranking	(4)
Clark County School District	30000 to 39999	1	3.53%	20000 to 29999	1	3.11%
Clark County	8000 to 8499	2	0.83%	9000 to 9499	2	1.15%
Wynn Las Vegas	7500 to 7999	3	0.78%			
Bellagio LLC	7500 to 7999	4	0.78%			
Mgm Grand Hotel/Casino	7500 to 7999	5	0.78%			
Aria Resort & Casino LLC	7000 to 7499	6	0.73%			
Mandalay Bay Resort And Casino	6000 to 6499	7	0.63%	6000 to 6499	3	0.78%
Caesars Palace	5500 to 5999	8	0.58%	4500 to 4999	8	0.59%
Las Vegas Metropolitan Police	5000 to 5499	9	0.53%	4500 to 4999	7	0.59%
University Of Nevada Las Vegas	5000 to 5499	10	0.53%	5500 to 5999	5	0.72%
Mirage Casino-Hotel				5500 to 5999	4	0.72%
State Of Nevada				5000 to 5499	6	0.65%
Rio Suite Hotel & Casino				4000 to 4499	9	0.53%
University Medical Center				3500 to 3999	10	0.47%
<i>Total Labor Force</i>			991,956			804,079

(1) Source -- Nevada Workforce Informer, Nevada Employer Directory, GASB 44 report as of June, 2013. Most recent figures available. Trade names are as-described in the source document. No attempt has been made to trace corporate name changes if any.

(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)
Building Permits Issued
Clark County, Nevada
Last Ten Calendar Years**

Classification	Calendar Year				
	2012	2011	2010	2009	2008
Single Family Residential	2,966	1,599	2,023	1,930	2,451
Townhouses			6		11
Condominiums	18	13	54	89	115
Duplex/Apartment Buildings	20	40	8	19	99
Hotels & Motels	3			3	38
Mobile Home Parks				3	1
Guest Houses	52	23	29	28	46
Buildings	175	176	143	188	461
Structures Subtotal ^{1/}	3,234	1,851	2,263	2,260	3,222
Other New Projects ^{2/}	3,205	3,271	3,122	3,836	4,872
Total Permits Issued for New Projects	6,439	5,122	5,385	6,096	8,094
Permits for Add-ons, Alterations, Repair & Completion	4,402	4,420	4,665	5,122	5,731
Total Permits Issued	10,841	9,542	10,050	11,218	13,825

Classification	Calendar Year				
	2007	2006	2005	2004	2003
Single Family Residential	5,859	9,765	13,463	14,280	11,150
Townhouses				22	29
Condominiums	203	257	292	253	147
Duplex/Apartment Buildings	40	35	143	41	498
Hotels & Motels	61	33	23	69	33
Mobile Home Parks			3	2	1
Guest Houses	105	76	61	54	48
Buildings	844	893	1,050	858	865
Structures Subtotal ^{1/}	7,112	11,059	15,035	15,579	12,771
Other New Projects ^{2/}	6,823	8,022	8,273	8,226	7,875
Total Permits Issued for New Projects	13,935	19,081	23,308	23,805	20,646
Permits for Add-ons, Alterations, Repair & Completion	6,247	7,159	7,415	7,071	6,852
Total Permits Issued	20,182	26,240	30,723	30,876	27,498

Source -- Clark County Development Services, Department of Building

^{1/} Structures permits are important to SNWA as they translate into possible connection sales.

^{2/} Examples include signs, pools, spas, garages, walls, fences, and grading permits.

Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Full Time Equivalent Employees (FTE) by Department / Function ^{(1) (2)}
Last Ten Fiscal Years

Department ⁽³⁾	Function	Fiscal Year Ended June 30									
		2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Southern Nevada Water Systems	Water Transmission	195.9	192.7	199.7	188.5	190.0	181.0	173.0	167.0	165.0	166.0
Las Vegas Valley Water District (LVVWD) Departments	Various Administrative, Construction and Maintenance Services	113.6	108.8	124.7	152.7	119.2	103.4	94.0	81.8	77.9	70.6
SNWA Engineering	Planning and Constructing Infrastructure	70.8	77.8	78.9	66.0	64.0	59.0	46.0	51.0	41.0	41.0
SNWA Water and Environmental Resources	Water Resources, Conservation, Ranch Operations, Environmental Resources	48.8	55.2	46.0	35.0	31.0					
SNWA Groundwater Resources	Procure New Water Sources	48.1	51.0	63.0	64.5	59.0	91.0	85.0	71.2	55.6	53.3
SNWA Surface Water Resources	Acquiring and Managing River Water Resources	14.0	25.0	24.0	20.0	35.0	16.0				
SNWA Energy Management	Acquiring and Managing Energy Resources	5.0	5.0	5.0	5.0	7.0	8.0	6.4			
GRAND TOTAL		496.2	515.5	541.3	531.7	505.2	458.4	404.4	371.0	339.5	330.9

Source -- LVVWD Human Resources department

(1) SNWA has no employees of its own. FTEs in this chart are employed by LVVWD. SNWA reimburses LVVWD for those expenses.

(2) FTE numbers are budgeted numbers. FTEs can be determined by department through reports generated during the annual budget process. However the payroll system can not at the present time determine FTEs from actual expenses because of the sharing between LVVWD and SNWA as described in footnote (1).

(3) Departments are in a constant state of rearrangement and realignment to better support projects of the SNWA. Therefore fluctuations in FTE levels by department are seen from year to year. Shaded areas designate that the indicated department did not exist at the time of budget preparation.

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

	Calendar Year Ended December 31									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
SNWA Operations										
System Capacity in Million Gallons per Day	1,015.0	1,015.0	1,015.0	1,015.0	1,015.0	900.0	900.0	900.0	750.0	750.0
Water Billed in Million Gallons per Day										
Average Day	361.0	360.1	374.2	354.7	368.2	402.7	399.6	371.4	356.2	379.7
Maximum Day	504.0	479.2	540.1	544.9	531.0	582.0	596.0	603.0	607.0	563.0

SNWA Resources										
Conservation -- Per Capita Water Usage in Gallons Per Day	222	222	223	240	248	255	264	269	274	294

	Fiscal Year Ended June 30									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
SNWA Engineering										
Construction Contract Payments (Million Dollars)	\$109	\$113	\$151	\$226	\$232	\$371	\$148	\$145	\$153	\$164

US Department of Interior										
Lake Mead Level at Hoover Dam Elevation, in Feet	1,106	1,116	1,102	1,089	1,095	1,105	1,114	1,128	1,140	1,127

Source -- SNWA departments or US agency referenced

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

Fiscal Year Ended June 30

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Miles of Pipeline	163	163	163	163	163
Ozone Treatment Capacity in Million Gallons per Day	1015	1015	1015	1015	1015
Ozone Treatment Facilities	3	3	3	3	3
Pumping Plants	31	31	31	31	31
Reservoirs & Forebays	32	32	32	32	28
Metering Stations	36	36	36	35	35
Rechlorination Facilities	11	11	11	11	11
Plant Facilities	3	3	3	3	3

Fiscal Year Ended June 30

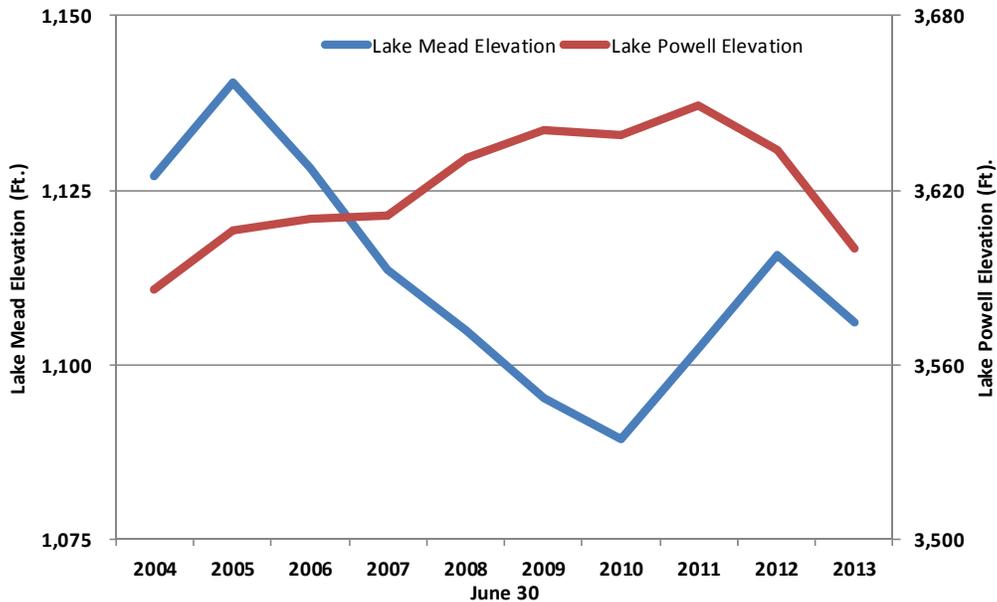
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Miles of Pipeline	163	163	163	163	155
Ozone Treatment Capacity in Million Gallons per Day	900	900	900	900	750
Ozone Treatment Facilities	2	2	2	2	2
Pumping Plants	30	30	30	30	27
Reservoirs & Forebays	28	28	28	28	27
Metering Stations	35	34	34	34	31
Rechlorination Facilities	9	9	9	9	12
Plant Facilities	2	2	2	2	2

Source -- SNWA Operations department

**Southern Nevada Water Authority
Enterprise Fund (Unaudited)
Lake Elevations by Quarter
Measured in Feet at Dam
Last Ten Fiscal Years**

	<u>Lake Mead</u>	<u>Lake Powell</u>		<u>Lake Mead</u>	<u>Lake Powell</u>
30-Sep-03	1,142.1	3,626.5	30-Sep-08	1,105.8	3,601.9
31-Dec-03	1,139.1	3,620.1	31-Dec-08	1,111.0	3,594.6
31-Mar-04	1,138.7	3,607.1	31-Mar-09	1,107.4	3,589.8
30-Jun-04	1,126.9	3,616.2	30-Jun-09	1,095.3	3,631.1
30-Sep-04	1,125.9	3,603.7	30-Sep-09	1,093.7	3,626.9
31-Dec-04	1,130.0	3,597.2	31-Dec-09	1,096.3	3,617.9
31-Mar-05	1,147.7	3,582.8	31-Mar-10	1,100.7	3,610.4
30-Jun-05	1,140.5	3,586.2	30-Jun-10	1,089.3	3,640.5
30-Sep-05	1,138.4	3,570.8	30-Sep-10	1,083.8	3,635.4
31-Dec-05	1,137.5	3,564.4	31-Dec-10	1,086.3	3,626.2
31-Mar-06	1,139.5	3,555.9	31-Mar-11	1,096.4	3,619.4
30-Jun-06	1,128.3	3,606.3	30-Jun-11	1,102.4	3,638.8
30-Sep-06	1,125.4	3,619.4	30-Sep-11	1,116.0	3,653.0
31-Dec-06	1,128.1	3,610.7	31-Dec-11	1,132.8	3,639.8
31-Mar-07	1,125.8	3,652.4	31-Mar-12	1,129.4	3,635.3
30-Jun-07	1,113.5	3,651.8	30-Jun-12	1,115.8	3,633.9
30-Sep-07	1,111.1	3,601.7	30-Sep-12	1,115.2	3,621.6
31-Dec-07	1,114.8	3,603.4	31-Dec-12	1,120.4	3,609.8
31-Mar-08	1,115.7	3,598.8	31-Mar-13	1,118.6	3,599.0
30-Jun-08	1,105.0	3,611.5	30-Jun-13	1,106.0	3,600.1

**COMPARISON OF MONTH END ELEVATIONS
LAKE POWELL AND LAKE MEAD**



Source -- US Department of Interior, Bureau of Reclamation, Lower Colorado Region

Southern Nevada Water Authority
Debt History (Unaudited)
as of June 30, 2013

Page 1 of 5

Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance @ 6/30/2013(\$)
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	

Continued

Southern Nevada Water Authority
Debt History (Unaudited) (Continued)
as of June 30, 2013

Page 2 of 5

Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance @ 6/30/2013(\$)
CRC	1993 Bonds	Nov 1993	Refund the 1978B, 1978D and 1990 Bonds	46,805,000	23,125,000	CRC 2003C Bonds	23,680,000	
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	20,000,000	12,775,000	LVVWD 0498 & 2005B Bonds	7,225,000	
LVVWD	SNWA Jul 1995 Bonds	Jul 1995	SNWA CIP Construction	30,000,000	18,675,000	LVVWD 0498 & 2005B Bonds	11,325,000	
CRC	1995 Bonds	Dec 1995	Partially Refund the CRC 1994 Bonds	118,590,000	118,590,000	CRC 2006D Refunding	0	
LVVWD	SNWA Jul 1996 Bonds	Jul 1996	SNWA CIP Construction	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	2,210,000	CRC 2010B	3,335,000	
LVVWD	SNWA Commercial Paper	Jan 1998	SNWA CIP Construction	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	300,000,000	275,750,000	SNWA 2005F and SNWA 2013A Bonds	24,250,000	
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	12,269,695			6,950,959	5,318,736

Continued

Southern Nevada Water Authority
Debt History (Unaudited) (Continued)
as of June 30, 2013

Page 3 of 5

Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance @ 6/30/2013(\$)
SNWA	SNWA 0700 Bonds Clark Co. Bond Bank	Jul 2000	SNWA CIP Construction	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 Repay Federal Contracts	250,000,000	222,095,000	SNWA 2006, 1106 2009, LVVWD 2011C & 2012A Refundings	27,905,000	0
SNWA	State Drinking Water Revolving Fund Loan #2	Jun 2001	SNWA CIP Construction	10,000,000			4,905,451	5,094,549
SNWA	SNWA 1102 Bonds Clark Co Bond Bank	Nov 2002	SNWA CIP Construction	200,000,000	180,790,000	SNWA 1106, 2009, LVVWD 2011C & 2012A Refundings	19,210,000	0
LVVWD	SNWA Commercial Paper Pay Off	Jan 2003	Refund Jan 1998 LVVWD Commercial Paper Program	250,000,000	212,265,000	SNWA 2009D & LVVWD 2011C Refundings	37,735,000	0
CRC	2003C Bonds	Sep 2003	Partially Refund CRC 1993 Bonds	21,515,000	455,000	CRC 2010B	21,060,000	0
LVVWD	SNWA Commercial Paper	Mar 2004	SNWA CIP Construction & 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	52,335,000	LVVWD 2011B & 2011C Refundings	23,510,000	173,520,000
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	10,305,000	LVVWD 2011B Refunding	7,240,000	47,755,000
SNWA	2006 Refunding Bonds	May 2006	Partially Refund SNWA 0700 & SNWA 0601 Bonds	242,880,000	25,555,000		7,115,000	210,210,000

Continued

Southern Nevada Water Authority
Debt History (Unaudited) (Continued)
as of June 30, 2013

Page 4 of 5

Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance @ 6/30/2013(\$)
CRC	2006D Refunding Bonds	July 2006	Refund CRC 1995 Bonds	111,840,000	25,865,000	CRC 2010B & LVVWD 2011B	19,775,000	66,200,000
SNWA	1106 New Money & Refunding Bond	Nov 2006	SNWA CIP Construction & Partial Refund of SNWA 0601 & 1102 Bonds	604,140,000	61,340,000	SNWA 2009 & LVVWD 2011B / C Refundings	9,780,000	533,020,000
LVVWD	2008B Refunding Bonds	Feb 2008	Refund LVVWD April 1998 Bond	171,720,000	51,930,000	LVVWD 2011A Refunding	3,455,000	116,335,000
SNWA	2008 New Money Bonds	July 2008	SNWA CIP Construction	400,000,000	37,845,000	SNWA 2009 & LVVWD 2011C Refundings	0	362,155,000
SNWA	2008 Clean Renewable Energy Bonds	July 2008	SNWA CIP Construction	6,900,000			2,300,000	4,600,000
LVVWD	2009A Build America Bonds	Aug 2009	SNWA CIP Construction	90,000,000			0	90,000,000
LVVWD	2009B New Money Bonds	Aug 2009	SNWA CIP Construction (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 2008 Bonds	50,000,000			1,780,000	48,220,000
SNWA	2009 Water Revenue Bonds	Dec 2009	SNWA CIP Construction	2,214,457			126,540	2,087,917
LVVWD	2009C Build America Bonds	Dec 2009	SNWA CIP Construction	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			2,780,000	69,185,000

Continued

Southern Nevada Water Authority
Debt History (Unaudited) (Continued)
as of June 30, 2013

Page 5 of 5

Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance @ 6/30/2013(\$)
CRC	2010B Refunding Bonds	June 2010	Refund CRC1997B & Partial Refund of CRC 2003C & 2006D Bonds	7,405,000			0	7,405,000
LVVWD	2011A Refunding Bonds	May 2011	Partial Refund LVVWD 2008B Bonds	58,110,000			0	58,110,000
LVVWD	2011B Refunding Bonds	Oct 2011	Partial Refund CRC 2005I, SNWA 2005F, CRC 2006D, & SNWA 1106	129,650,000			0	129,650,000
LVVWD	2011C Refunding Bonds	Oct 2011	Partial Refund SNWA 2005F, 2001, 2002, 1106, 2008, & 2003B	267,815,000			8,820,000	258,995,000
SNWA	2012 Refunding Bonds	June 2012	Refund SNWA 0601 and SNWA 1102	85,015,000			0	85,015,000
LVVWD	2012B New Money Bonds	July 2012	SNWA CIP Construction	360,000,000			0	360,000,000
SNWA	State 2013A Refunding Bonds	Feb 2013	Refunding SNWA 0798 Bonds State Bond Bank	21,720,000			0	21,720,000
				6,434,272,847	2,550,374,279		439,567,366	3,444,331,202

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
As of June 30, 2013

Page 1 of 13

Fiscal Year	SRF Loan Dec 1999			SRF Loan Jun 2001		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 680,745	\$ 185,918	\$ 866,663	\$ 525,174	\$ 171,768	\$ 696,941
2015	705,542	161,121	866,663	543,502	153,439	696,941
2016	731,242	135,421	866,663	562,470	134,472	696,941
2017	757,878	108,785	866,663	582,099	114,842	696,941
2018	785,484	81,179	866,663	602,414	94,527	696,941
2019	814,096	52,567	866,663	623,438	73,503	696,941
2020	843,750	22,913	866,663	645,196	51,746	696,941
2021				667,712	29,229	696,941
2022				342,545	5,926	348,471
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
2041						
2042						
2043						
Totals	\$ 5,318,736	\$ 747,902	\$ 6,066,638	\$ 5,094,549	\$ 829,451	\$ 5,924,000

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
As of June 30, 2013

Page 2 of 13

Fiscal Year	LVVWD Tax-Exempt Commercial Paper			SNWA 2005F Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 400,000,000	\$ 8,000,000	\$ 408,000,000	\$ -	\$ 8,676,000	\$ 8,676,000
2015				-	8,676,000	8,676,000
2016				-	8,676,000	8,676,000
2017				12,135,000	8,372,625	20,507,625
2018				12,755,000	7,750,375	20,505,375
2019				13,410,000	7,096,250	20,506,250
2020				14,095,000	6,408,625	20,503,625
2021				14,815,000	5,685,875	20,500,875
2022				15,580,000	4,926,000	20,506,000
2023				16,380,000	4,127,000	20,507,000
2024				17,220,000	3,287,000	20,507,000
2025				18,095,000	2,404,125	20,499,125
2026				19,030,000	1,476,000	20,506,000
2027				20,005,000	500,125	20,505,125
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
2041						
2042						
2043						
Totals	\$ 400,000,000	\$ 8,000,000	\$ 408,000,000	\$ 173,520,000	\$ 78,062,000	\$ 251,582,000

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
As of June 30, 2013

Fiscal Year	CRC 2005H Refunding Bonds			CRC 2005I Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ -	\$ 1,501,950	\$ 1,501,950	\$ -	\$ 2,266,938	\$ 2,266,938
2015	-	1,501,950	1,501,950	-	2,266,938	2,266,938
2016	-	1,501,950	1,501,950	-	2,266,938	2,266,938
2017	-	1,501,950	1,501,950	2,905,000	2,194,313	5,099,313
2018	-	1,501,950	1,501,950	3,050,000	2,045,438	5,095,438
2019	-	1,501,950	1,501,950	3,190,000	1,897,413	5,087,413
2020	-	1,501,950	1,501,950	3,335,000	1,750,600	5,085,600
2021	-	1,501,950	1,501,950	3,485,000	1,592,794	5,077,794
2022	-	1,501,950	1,501,950	3,650,000	1,423,338	5,073,338
2023	-	1,501,950	1,501,950	3,820,000	1,245,925	5,065,925
2024	-	1,501,950	1,501,950	4,000,000	1,060,200	5,060,200
2025	10,060,000	1,501,950	11,561,950	4,185,000	865,806	5,050,806
2026	10,535,000	1,024,100	11,559,100	4,380,000	662,388	5,042,388
2027	11,025,000	523,688	11,548,688	4,585,000	449,469	5,034,469
2028				4,805,000	226,456	5,031,456
2029				1,630,000	73,625	1,703,625
2030				735,000	17,456	752,456
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
2041						
2042						
2043						
Totals	\$ 31,620,000	\$ 19,571,188	\$ 51,191,188	\$ 47,755,000	\$ 22,306,031	\$ 70,061,031

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
As of June 30, 2013

Fiscal Year	SNWA 2006 Refunding Bonds			SNWA 1106 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ -	\$ 9,806,469	\$ 9,806,469	\$ -	\$ 23,702,163	\$ 23,702,163
2015	-	9,806,469	9,806,469	-	23,702,163	23,702,163
2016	14,845,000	9,806,469	24,651,469	-	23,702,163	23,702,163
2017	15,515,000	9,157,000	24,672,000	16,010,000	23,301,913	39,311,913
2018	16,240,000	8,458,825	24,698,825	16,815,000	22,481,288	39,296,288
2019	16,990,000	7,728,025	24,718,025	17,660,000	21,619,413	39,279,413
2020	17,770,000	6,942,238	24,712,238	18,555,000	20,714,038	39,269,038
2021	18,590,000	6,120,375	24,710,375	19,505,000	19,762,538	39,267,538
2022	19,470,000	5,237,350	24,707,350	20,500,000	18,762,413	39,262,413
2023	9,385,000	4,312,525	13,697,525	32,865,000	17,428,288	50,293,288
2024	9,885,000	3,866,738	13,751,738	34,520,000	15,743,663	50,263,663
2025	10,410,000	3,397,200	13,807,200	36,250,000	13,974,413	50,224,413
2026	10,970,000	2,902,725	13,872,725	38,070,000	12,116,413	50,186,413
2027	11,560,000	2,381,650	13,941,650	39,670,000	10,470,438	50,140,438
2028	12,185,000	1,832,550	14,017,550	41,030,000	9,058,188	50,088,188
2029	12,845,000	1,253,763	14,098,763	31,335,000	7,556,788	38,891,788
2030	13,550,000	643,625	14,193,625	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						
2041						
2042						
2043						
Totals	\$ 210,210,000	\$ 93,653,994	\$ 303,863,994	\$ 533,020,000	\$ 309,761,481	\$ 842,781,481

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
As of June 30, 2013

Fiscal Year	CRC 2006D Bonds			LVVWD 2008B		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ -	\$ 3,270,763	\$ 3,270,763	\$ -	\$ 5,623,931	\$ 5,623,931
2015	-	3,270,763	3,270,763	-	5,623,931	5,623,931
2016	6,020,000	3,270,763	9,290,763	10,445,000	5,623,931	16,068,931
2017	6,320,000	2,969,763	9,289,763	8,420,000	5,101,681	13,521,681
2018	6,635,000	2,653,763	9,288,763	8,835,000	4,680,681	13,515,681
2019	6,965,000	2,322,013	9,287,013	9,285,000	4,238,931	13,523,931
2020	7,310,000	1,973,763	9,283,763	9,760,000	3,774,681	13,534,681
2021	7,665,000	1,608,263	9,273,263	10,255,000	3,286,681	13,541,681
2022	8,030,000	1,244,175	9,274,175	10,780,000	2,773,931	13,553,931
2023	8,420,000	862,750	9,282,750	11,330,000	2,234,931	13,564,931
2024	8,835,000	441,750	9,276,750	11,825,000	1,753,406	13,578,406
2025				12,385,000	1,206,500	13,591,500
2026				13,015,000	618,321	13,633,321
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
2041						
2042						
2043						
Totals	\$ 66,200,000	\$ 23,888,525	\$ 90,088,525	\$ 116,335,000	\$ 46,541,539	\$ 162,876,539

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
As of June 30, 2013

Page 6 of 13

Fiscal Year	SNWA 2008			SNWA Clean Renewable Energy 2008		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ -	\$ 18,107,750	\$ 18,107,750	\$ 460,000	\$ 51,129	\$ 511,129
2015	-	18,107,750	18,107,750	460,000	45,747	505,747
2016	8,740,000	18,107,750	26,847,750	460,000	40,365	500,365
2017	9,180,000	17,670,750	26,850,750	460,000	34,983	494,983
2018	9,635,000	17,211,750	26,846,750	460,000	29,601	489,601
2019	10,120,000	16,730,000	26,850,000	460,000	24,219	484,219
2020	10,625,000	16,224,000	26,849,000	460,000	18,837	478,837
2021	11,155,000	15,692,750	26,847,750	460,000	13,455	473,455
2022	11,715,000	15,135,000	26,850,000	460,000	8,073	468,073
2023	12,300,000	14,549,250	26,849,250	460,000	2,691	462,691
2024	12,915,000	13,934,250	26,849,250			
2025	13,560,000	13,288,500	26,848,500			
2026	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	-	-	-			
2041						
2042						
2043						
Totals	\$ 362,155,000	\$ 291,589,250	\$ 653,744,250	\$ 4,600,000	\$ 269,100	\$ 4,869,100

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
As of June 30, 2013

Fiscal Year	LVVWD 2009 A			LVVWD 2009 B		
	Principal	Interest*	Total	Principal	Interest	Total
2014	\$ -	\$ 4,348,076	\$ 4,348,076	\$ 350,000	\$ 473,313	\$ 823,313
2015	-	4,348,076	4,348,076	365,000	459,313	824,313
2016	-	4,348,076	4,348,076	380,000	444,713	824,713
2017	-	4,348,076	4,348,076	395,000	429,513	824,513
2018	-	4,348,076	4,348,076	410,000	413,713	823,713
2019	-	4,348,076	4,348,076	425,000	397,313	822,313
2020	-	4,348,076	4,348,076	440,000	380,313	820,313
2021	-	4,348,076	4,348,076	460,000	362,713	822,713
2022	-	4,348,076	4,348,076	475,000	344,313	819,313
2023	-	4,348,076	4,348,076	500,000	320,563	820,563
2024	-	4,348,076	4,348,076	525,000	295,563	820,563
2025	-	4,348,076	4,348,076	550,000	269,313	819,313
2026	-	4,348,076	4,348,076	580,000	241,813	821,813
2027	-	4,348,076	4,348,076	610,000	212,813	822,813
2028	-	4,348,076	4,348,076	640,000	182,313	822,313
2029	-	4,348,076	4,348,076	670,000	150,313	820,313
2030	-	4,348,076	4,348,076	705,000	116,813	821,813
2031	-	4,348,076	4,348,076	740,000	79,800	819,800
2032	-	4,348,076	4,348,076	780,000	40,950	820,950
2033	1,620,000	4,348,076	5,968,076			
2034	1,700,000	4,269,810	5,969,810			
2035	1,775,000	4,187,680	5,962,680			
2036	1,855,000	4,101,926	5,956,926			
2037	1,940,000	4,012,307	5,952,307			
2038	26,520,000	3,918,582	30,438,582			
2039	54,590,000	2,637,349	57,227,349			
2040						
2041						
2042						
2043						
Totals	\$ 90,000,000	\$ 110,089,165	\$ 200,089,165	\$ 10,000,000	\$ 5,615,463	\$ 15,615,463

* Interest shown is net of Build America Bond federal participation.

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
As of June 30, 2013

Fiscal Year	SNWA 2009 Refunding			SNWA 2009 Water Revenue		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 1,865,000	\$ 2,411,000	\$ 4,276,000	\$ 126,540	\$ -	\$ 126,540
2015	1,960,000	2,317,750	4,277,750	126,540	-	126,540
2016	2,060,000	2,219,750	4,279,750	126,540	-	126,540
2017	2,160,000	2,116,750	4,276,750	126,540	-	126,540
2018	2,270,000	2,008,750	4,278,750	126,540	-	126,540
2019	2,380,000	1,895,250	4,275,250	126,540	-	126,540
2020	2,500,000	1,776,250	4,276,250	126,540	-	126,540
2021	2,625,000	1,651,250	4,276,250	126,540	-	126,540
2022	2,755,000	1,520,000	4,275,000	126,540	-	126,540
2023	2,895,000	1,382,250	4,277,250	126,540	-	126,540
2024	3,040,000	1,237,500	4,277,500	126,540	-	126,540
2025	3,190,000	1,085,500	4,275,500	126,540	-	126,540
2026	3,350,000	926,000	4,276,000	126,540	-	126,540
2027	3,520,000	758,500	4,278,500	126,540	-	126,540
2028	3,695,000	582,500	4,277,500	126,540	-	126,540
2029	3,880,000	397,750	4,277,750	126,540	-	126,540
2030	4,075,000	203,750	4,278,750	63,270	-	63,270
2031						
2032				-	-	-
2033				-	-	-
2034						
2035						
2036						
2037						
2038						
2039						
2040						
2041						
2042						
2043						
Totals	\$ 48,220,000	\$ 24,490,500	\$ 72,710,500	\$ 2,087,917	\$ -	\$ 2,087,917

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
As of June 30, 2013

Page 9 of 13

Fiscal Year	LVVWD 2009 C			LVVWD 2009 D		
	Principal	Interest*	Total	Principal	Interest	Total
2014	\$ -	\$ 16,778,939	\$ 16,778,939	\$ 2,920,000	\$ 3,453,738	\$ 6,373,738
2015	-	16,778,939	16,778,939	3,070,000	3,307,738	6,377,738
2016	-	16,778,939	16,778,939	3,220,000	3,154,238	6,374,238
2017	-	16,778,939	16,778,939	3,385,000	2,993,238	6,378,238
2018	-	16,778,939	16,778,939	3,550,000	2,823,988	6,373,988
2019	-	16,778,939	16,778,939	3,730,000	2,646,488	6,376,488
2020	-	16,778,939	16,778,939	3,910,000	2,459,988	6,369,988
2021	-	16,778,939	16,778,939	4,110,000	2,264,488	6,374,488
2022	-	16,778,939	16,778,939	4,315,000	2,058,988	6,373,988
2023	-	16,778,939	16,778,939	4,530,000	1,843,238	6,373,238
2024	-	16,778,939	16,778,939	4,755,000	1,616,738	6,371,738
2025	-	16,778,939	16,778,939	4,955,000	1,414,650	6,369,650
2026	-	16,778,939	16,778,939	5,205,000	1,166,900	6,371,900
2027	-	16,778,939	16,778,939	5,470,000	906,650	6,376,650
2028	-	16,778,939	16,778,939	3,815,000	633,150	4,448,150
2029	-	16,778,939	16,778,939	4,015,000	432,863	4,447,863
2030	-	16,778,939	16,778,939	4,230,000	222,075	4,452,075
2031	8,215,000	16,778,939	24,993,939			
2032	25,085,000	16,372,945	41,457,945			
2033	39,105,000	15,133,217	54,238,217			
2034	40,950,000	13,200,606	54,150,606			
2035	42,860,000	11,202,737	54,062,737			
2036	44,815,000	9,157,460	53,972,460			
2037	46,860,000	7,018,890	53,878,890			
2038	48,995,000	4,782,733	53,777,733			
2039	51,230,000	2,444,693	53,674,693			
2040						
2041						
2042						
2043						
Totals	\$ 348,115,000	\$ 381,334,188	\$ 729,449,188	\$ 69,185,000	\$ 33,399,150	\$ 102,584,150

* Interest shown is net of Build America Bond federal participation.

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
As of June 30, 2013

Fiscal Year	CRC 2010B			LVVWD 2011A		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 945,000	\$ 273,615	\$ 1,218,615	\$ -	\$ 2,705,755	\$ 2,705,755
2015	980,000	238,697	1,218,697	100,000	2,705,755	2,805,755
2016	1,020,000	202,486	1,222,486	4,255,000	2,702,704	6,957,704
2017	1,055,000	164,797	1,219,797	4,400,000	2,560,119	6,960,119
2018	1,095,000	125,815	1,220,815	4,560,000	2,398,551	6,958,551
2019	1,135,000	85,355	1,220,355	4,745,000	2,212,867	6,957,867
2020	1,175,000	43,416	1,218,416	4,950,000	2,007,219	6,957,219
2021				5,175,000	1,783,776	6,958,776
2022				5,415,000	1,542,414	6,957,414
2023				5,680,000	1,279,028	6,959,028
2024				5,960,000	995,937	6,955,937
2025				6,270,000	689,951	6,959,951
2026				6,600,000	358,644	6,958,644
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
2041						
2042						
2043						
Totals	\$ 7,405,000	\$ 1,134,180	\$ 8,539,180	\$ 58,110,000	\$ 23,942,718	\$ 82,052,718

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
As of June 30, 2013

Fiscal Year	LVVWD 2011B			LVVWD 2011C		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ -	\$ 5,277,078	\$ 5,277,078	\$ 9,000,000	\$ 12,682,663	\$ 21,682,663
2015	-	5,277,078	5,277,078	9,385,000	12,292,663	21,677,663
2016	9,220,000	5,277,078	14,497,078	9,670,000	12,011,113	21,681,113
2017	9,475,000	5,019,932	14,494,932	10,115,000	11,562,713	21,677,713
2018	9,775,000	4,719,006	14,494,006	10,620,000	11,056,963	21,676,963
2019	10,000,000	4,384,115	14,384,115	11,260,000	10,525,963	21,785,963
2020	10,490,000	4,013,315	14,503,315	11,710,000	9,962,963	21,672,963
2021	10,900,000	3,603,366	14,503,366	12,295,000	9,377,463	21,672,463
2022	11,335,000	3,168,674	14,503,674	12,910,000	8,762,713	21,672,713
2023	11,805,000	2,699,631	14,504,631	13,555,000	8,117,213	21,672,213
2024	12,320,000	2,185,170	14,505,170	14,240,000	7,439,463	21,679,463
2025	12,870,000	1,629,784	14,499,784	14,950,000	6,727,463	21,677,463
2026	13,475,000	1,030,299	14,505,299	15,695,000	5,979,963	21,674,963
2027	7,985,000	395,896	8,380,896	22,625,000	5,168,475	27,793,475
2028				14,370,000	4,037,225	18,407,225
2029				15,090,000	3,318,725	18,408,725
2030				15,845,000	2,564,225	18,409,225
2031				3,745,000	1,771,975	5,516,975
2032				3,920,000	1,595,750	5,515,750
2033				4,115,000	1,399,750	5,514,750
2034				4,320,000	1,194,000	5,514,000
2035				4,540,000	978,000	5,518,000
2036				4,765,000	751,000	5,516,000
2037				5,000,000	512,750	5,512,750
2038				5,255,000	262,750	5,517,750
2039						
2040						
2041						
2042						
2043						
Totals	\$ 129,650,000	\$ 48,680,423	\$ 178,330,423	\$ 258,995,000	\$ 150,053,938	\$ 409,048,938

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
As of June 30, 2013

Page 12 of 13

Fiscal Year	SNWA 2012A			LVVWD 2012B		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ -	\$ 3,455,600	\$ 3,455,600	\$ -	\$ -	\$ -
2015	-	3,455,600	3,455,600	6,595,000	17,015,050	23,610,050
2016	5,500,000	3,455,600	8,955,600	6,790,000	16,817,200	23,607,200
2017	0	3,180,600	3,180,600	7,060,000	16,545,600	23,605,600
2018	0	3,180,600	3,180,600	7,345,000	16,263,200	23,608,200
2019	0	3,180,600	3,180,600	7,690,000	15,915,950	23,605,950
2020	0	3,180,600	3,180,600	8,055,000	15,551,450	23,606,450
2021	0	3,180,600	3,180,600	8,440,000	15,168,700	23,608,700
2022	0	3,180,600	3,180,600	8,690,000	14,915,500	23,605,500
2023	0	3,180,600	3,180,600	9,120,000	14,486,750	23,606,750
2024	0	3,180,600	3,180,600	9,565,000	14,044,750	23,609,750
2025	0	3,180,600	3,180,600	10,040,000	13,566,500	23,606,500
2026	0	3,180,600	3,180,600	10,545,000	13,064,500	23,609,500
2027	0	3,180,600	3,180,600	11,070,000	12,537,250	23,607,250
2028	0	3,180,600	3,180,600	11,625,000	11,983,750	23,608,750
2029	11,000,000	3,180,600	14,180,600	12,205,000	11,402,500	23,607,500
2030	27,370,000	2,740,600	30,110,600	12,815,000	10,792,250	23,607,250
2031	28,395,000	1,645,800	30,040,800	13,455,000	10,151,500	23,606,500
2032	12,750,000	510,000	13,260,000	14,130,000	9,478,750	23,608,750
2033				14,835,000	8,772,250	23,607,250
2034				15,580,000	8,030,500	23,610,500
2035				16,315,000	7,290,450	23,605,450
2036				17,095,000	6,515,450	23,610,450
2037				17,905,000	5,703,450	23,608,450
2038				18,755,000	4,853,000	23,608,000
2039				19,640,000	3,969,600	23,609,600
2040				20,565,000	3,044,600	23,609,600
2041				21,530,000	2,076,000	23,606,000
2042				22,545,000	1,061,900	23,606,900
2043						
Totals	\$ 85,015,000	\$ 56,611,000	\$ 141,626,000	\$ 360,000,000	\$ 301,018,350	\$ 661,018,350

Southern Nevada Water Authority
Schedule of Existing Debt Service (Individual Schedules) (Unaudited)
As of June 30, 2013

Page 13 of 13

Fiscal Year	SNWA 2013			GRAND TOTAL		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ -	\$ 617,210	\$ 617,210	\$ 416,872,459	\$ 133,841,761	\$ 550,714,220
2015	0	651,600	651,600	24,290,584	142,164,527	166,455,111
2016	0	651,600	651,600	84,045,252	141,329,715	225,374,967
2017	0	651,600	651,600	110,456,517	136,880,479	247,336,996
2018	0	651,600	651,600	115,564,439	131,758,574	247,323,013
2019	0	651,600	651,600	121,009,074	126,306,797	247,315,871
2020	0	651,600	651,600	126,755,486	120,537,516	247,293,002
2021	0	651,600	651,600	130,729,253	114,464,878	245,194,131
2022	0	651,600	651,600	136,549,085	108,289,970	244,839,055
2023	0	651,600	651,600	143,171,540	101,353,197	244,524,737
2024	0	651,600	651,600	149,731,540	94,363,290	244,094,831
2025	0	651,600	651,600	157,896,540	86,980,868	244,877,409
2026	0	651,600	651,600	165,816,540	79,137,779	244,954,319
2027	0	651,600	651,600	153,201,540	71,162,667	224,364,208
2028	21,720,000	325,800	22,045,800	129,711,540	64,320,546	194,032,086
2029				109,281,540	59,259,940	168,541,480
2030				114,803,270	54,346,815	169,150,085
2031				91,700,000	48,959,190	140,659,190
2032				95,700,000	44,647,696	140,347,696
2033				100,690,000	39,977,143	140,667,143
2034				105,415,000	35,165,066	140,580,066
2035				110,245,000	30,239,855	140,484,855
2036				115,255,000	25,139,411	140,394,411
2037				120,245,000	20,045,960	140,290,960
2038				125,095,000	15,095,565	140,190,565
2039				125,460,000	9,051,643	134,511,643
2040				20,565,000	3,044,600	23,609,600
2041				21,530,000	2,076,000	23,606,000
2042				22,545,000	1,061,900	23,606,900
2043				-	-	-
Totals	\$ 21,720,000	\$ 9,413,810	\$ 31,133,810	\$ 3,444,331,202	\$ 2,041,003,347	\$ 5,485,334,548

This page left intentionally blank

SEC DISCLOSURE
COMPLIANCE SCHEDULES
(UNAUDITED)



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

As of June 30, 2013

Page 1 of 2

	Dated	Final Maturity	Original Amount	Principal Outstanding
SUPERIOR OBLIGATIONS ⁽¹⁾				
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	111,840,000	66,200,000
CRC Refunding Bonds Series 2010B	06/24/10	06/01/20	7,405,000	7,405,000
TOTAL SUPERIOR OBLIGATIONS				105,225,000
PARITY OBLIGATIONS				
<i>MBRA Parity Obligations ⁽²⁾</i>				
Refunding Bonds, Series 2008B	02/19/08	06/01/26	171,720,000	116,335,000
Water Revenue Bonds, Series 2009A (Taxable BABs)	08/05/09	06/01/39	90,000,000	90,000,000
Water Revenue Bonds, Series 2009B	08/05/09	06/01/32	10,000,000	10,000,000
Water Revenue Bonds, Series 2009C (Taxable BABs)	12/23/09	06/01/39	348,115,000	348,115,000
Water Revenue Bonds, Series 2009D	12/23/09	06/01/30	71,965,000	69,185,000
Refunding Bonds, Series 2011A	05/26/11	06/01/26	58,110,000	58,110,000
LVVWD 2011B Refunding Bonds	10/19/11	06/01/27	129,650,000	129,650,000
LVVWD 2011C Refunding Bonds	10/19/11	06/01/38	267,815,000	258,995,000
SNWA 2012 Refunding Bonds	06/20/12	06/01/32	85,015,000	85,015,000
Water Revenue Bonds, Series 2012B	07/31/12	06/01/42	360,000,000	360,000,000
<i>Total MBRA Parity Obligations</i>				<i>1,525,405,000</i>
LVVWD Commercial Paper Notes ⁽³⁾	various	various	400,000,000	400,000,000
<i>Total MBRA Obligations</i>				<i>1,925,405,000</i>
<i>SNWA Parity Obligations ⁽⁴⁾</i>				
CRC Refunding Bonds, Series 2005I	04/13/05	09/15/29	65,300,000	47,755,000
SNWA Water Revenue Refunding Bond, Series 2006	06/13/06	06/01/30	242,880,000	210,210,000
SNWA Water Revenue Bond, Series 2006	11/02/06	11/01/36	604,140,000	533,020,000
SNWA Water Revenue Bond, Series 2008	07/02/08	06/01/38	400,000,000	362,155,000
SNWA Revenue Refunding Bond, Series 2009	11/10/09	06/01/30	50,000,000	48,220,000
<i>Total MBRA Parity Obligations</i>				<i>1,201,360,000</i>
TOTAL PARITY OBLIGATIONS				3,126,765,000
SUBORDINATE OBLIGATIONS ⁽⁵⁾				
State of Nevada Safe Drinking Water Loan #1	09/01/99	05/15/28	12,269,695	5,318,736
State of Nevada Safe Drinking Water Loan #2	06/29/01	02/01/20	10,000,000	5,094,549
SNWA Refunding Bonds, Series 2005F (State Bond Bank)	05/17/05	08/01/21	249,365,000	173,520,000
Subordinate Lien Revenue Bond (CREBS), Series 2008 ⁽⁶⁾	07/30/08	12/15/22	6,900,000	4,600,000
Water Revenue Bond Series 2009 (State of Nevada)	12/11/09	07/01/32	2,214,457	2,087,917
SNWA Refunding Bonds, Series 2013A (State Bond Bank)	02/20/13	08/01/27	21,720,000	21,720,000
TOTAL SUBORDINATE OBLIGATIONS				212,341,202
TOTAL OUTSTANDING OBLIGATIONS				\$ 3,444,331,202

Footnotes on the following page

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

As of June 30, 2013

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.

SOUTHERN NEVADA WATER AUTHORITY
DEBT SERVICE REQUIREMENTS (UNAUDITED) ⁽¹⁾
As of June 30, 2013

Year Ending June 30	Outstanding Superior Obligations Debt Service	Outstanding Parity Obligations Debt Service ⁽²⁾⁽³⁾	Outstanding Subordinate Obligations Debt Service	Grand Total
2014	\$ 5,991,327	\$ 533,228,410	\$ 11,494,483	\$ 550,714,220
2015	5,991,410	148,940,210	11,523,491	166,455,111
2016	12,015,199	201,841,659	11,518,109	225,374,967
2017	12,011,510	211,981,134	23,344,352	247,336,996
2018	12,011,527	211,974,765	23,336,720	247,323,013
2019	12,009,317	211,974,341	23,332,213	247,315,871
2020	12,004,129	211,964,667	23,324,206	247,293,002
2021	10,775,213	211,969,506	22,449,412	245,194,131
2022	10,776,125	211,962,246	22,100,684	244,839,055
2023	10,784,700	211,992,206	21,747,831	244,524,737
2024	10,778,700	212,030,990	21,285,140	244,094,831
2025	11,561,950	212,038,193	21,277,265	244,877,409
2026	11,559,100	212,111,079	21,284,140	244,954,319
2027	11,548,688	191,532,255	21,283,265	224,364,208
2028	-	171,859,746	22,172,340	194,032,086
2029	-	168,414,940	126,540	168,541,480
2030	-	169,086,815	63,270	169,150,085
2031	-	140,659,190	-	140,659,190
2032	-	140,347,696	-	140,347,696
2033	-	140,667,143	-	140,667,143
2034	-	140,580,066	-	140,580,066
2035	-	140,484,855	-	140,484,855
2036	-	140,394,411	-	140,394,411
2037	-	140,290,960	-	140,290,960
2038	-	140,190,565	-	140,190,565
2039	-	134,511,643	-	134,511,643
2040	-	23,609,600	-	23,609,600
2041	-	23,606,000	-	23,606,000
2042	-	23,606,900	-	23,606,900
Totals	<u>\$ 149,818,893</u>	<u>\$ 5,033,852,191</u>	<u>\$ 301,663,465</u>	<u>\$ 5,485,334,548</u>

Amounts may be slightly off 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) Net of Federal participation on Build America Bonds

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

Fiscal Year Ending June 30	2009 (Actual)	2010 (Actual)	2011 (Actual)	2012 (Actual)	2013 (Actual)
Operating Revenues					
Wholesale Delivery Charge	\$ 112,551,974	\$ 110,097,368	\$ 119,457,411	\$ 119,239,660	\$ 117,534,578
Groundwater Program Revenues	2,047,626	872,104	894,502	867,716	863,417
Las Vegas Wash Revenues	690,000	698,274	397,408	397,407	397,708
Purveyor Admin Cost Billings	379,306	342,820	362,263	318,886	383,443
Other Revenues	2,648,858	2,563,872	2,950,612	2,705,745	3,525,867
Total Operating Revenues	<u>118,317,764</u>	<u>114,574,438</u>	<u>124,062,196</u>	<u>123,529,414</u>	<u>122,705,013</u>
Operating Expenses					
Personnel & Related	39,671,513	37,948,022	42,491,203	43,450,464	43,880,414
Energy	40,184,443	39,656,635	36,013,713	44,527,798	36,347,165
Operation and maintenance	73,740,385	45,801,462	34,357,566	37,685,150	27,943,415
Depreciation	66,726,519	76,350,465	74,381,219	74,918,789	74,943,316
Total Operating Expenses	<u>220,322,860</u>	<u>199,756,584</u>	<u>187,243,701</u>	<u>200,582,201</u>	<u>183,114,310</u>
Operating Loss	<u>(102,005,096)</u>	<u>(85,182,146)</u>	<u>(63,181,505)</u>	<u>(77,052,787)</u>	<u>(60,409,297)</u>
Non-operating Revenues/(Expense)					
Investment Income	10,709,321	1,374,146	1,024,158	869,505	740,407
Credit Payment Income	-	6,442,781	10,896,699	10,867,008	10,316,798
Interest Expense	(69,887,704)	(75,369,159)	(79,960,801)	(67,567,023)	(64,010,853)
Amortization of Refunding Costs	(1,118,050)	(969,032)	(1,079,554)	(2,254,389)	(2,926,272)
Bond Issue Costs	(2,249,341)	(5,473,902)	(5,153,406)	(7,264,123)	(5,606,185)
Amortization of Premiums/Discounts	2,877,933	3,537,813	3,452,152	3,211,357	3,291,755
Gain/(Loss) on Sale of Assets	(753,735)	(5,051)	53,733	37,112	63,295
Total Non-operating Revenues/(Expense)	<u>(60,421,576)</u>	<u>(70,462,404)</u>	<u>(70,767,019)</u>	<u>(62,100,553)</u>	<u>(58,131,055)</u>
Net Loss Before Adjustments	(162,426,672)	(155,644,550)	(133,948,524)	(139,153,340)	(118,540,352)
Add Capital Contributions ^{1/}	<u>94,647,515</u>	<u>75,876,870</u>	<u>93,092,191</u>	<u>135,679,772</u>	<u>205,919,057</u>
Net Income	(67,779,157)	(79,767,680)	(40,856,333)	(3,473,568)	87,378,705
Adjustment per GASB 65	(13,900,000)	-	-	-	-
Net Position - Beginning of Year	<u>1,542,710,590</u>	<u>1,474,931,433</u>	<u>1,381,263,753</u>	<u>1,340,407,420</u>	<u>1,336,933,852</u>
Net Position - End of Year	<u>\$ 1,474,931,433</u>	<u>\$ 1,381,263,753</u>	<u>\$ 1,340,407,420</u>	<u>\$ 1,336,933,852</u>	<u>\$ 1,424,312,557</u>

1/ Includes Regional Infrastructure Surcharges, Regional Connection Charges, Sales Tax Collections, Regional Commodity Charges and Regional Reliability Charges as well as other revenue sources. Regional Connection Charges have been altered with contingency estimates and do not reflect gross cash collections.

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

Fiscal Year Ending June 30	2012 (Budget)	2012 (Actual)	2013 (Budget)	2013 (Actual)	2014 (Budget)
Operating Revenues					
Wholesale Delivery Charge	\$ 123,909,056	\$ 119,239,660	\$ 117,498,863	\$ 117,534,578	\$ 121,958,169
Groundwater Program Revenues	827,962	867,716	913,359	863,417	913,345
Las Vegas Wash Revenues	866,349	397,407	496,759	397,708	705,482
Purveyor Admin Cost Billings	2,887,935	318,886	301,584	383,443	1,013,138
Other Revenues	-	2,705,745	1,099,750	3,525,867	1,102,305
Total Operating Revenues	<u>128,491,302</u>	<u>123,529,414</u>	<u>120,310,315</u>	<u>122,705,013</u>	<u>125,692,439</u>
Operating Expenses					
Personnel & Related	35,247,482	43,450,464	43,405,732	43,880,414	43,868,607
Energy	46,862,060	44,527,798	39,311,358	36,347,165	41,484,548
Operation and maintenance	44,952,815	37,685,150	38,991,833	27,943,415	37,866,920
Depreciation	69,500,000	74,918,789	76,000,000	74,943,316	80,000,000
Total Operating Expenses	<u>196,562,357</u>	<u>200,582,201</u>	<u>197,708,923</u>	<u>183,114,310</u>	<u>203,220,075</u>
Operating Loss	<u>(68,071,055)</u>	<u>(77,052,787)</u>	<u>(77,398,608)</u>	<u>(60,409,297)</u>	<u>(77,527,636)</u>
Non-operating Revenues/(Expense)					
Investment Income	1,682,481	869,505	1,762,923	740,407	714,982
Credit Payment Income		10,867,008		10,316,798	
Interest Expense	(70,740,741)	(67,567,023)	(61,726,000)	(64,010,853)	(60,068,182)
Amortization of Refunding Costs		(2,254,389)		(2,926,272)	
Bond Issue Costs		(7,264,123)		(5,606,185)	
Amortization of Premiums/ Discounts		3,211,357		3,291,755	
Gain/(Loss) on Sale of Assets		37,112		63,295	
Total Non-operating Revenues/(Expense)	<u>(69,058,260)</u>	<u>(62,100,553)</u>	<u>(59,963,077)</u>	<u>(58,131,055)</u>	<u>(59,353,200)</u>
Net Loss Before Adjustments	(137,129,315)	(139,153,340)	(137,361,685)	(118,540,352)	(136,880,836)
Add Capital Contributions ^{1/}	<u>96,789,839</u>	<u>135,679,772</u>	<u>197,998,278</u>	<u>205,919,057</u>	<u>201,691,955</u>
Net Income	<u>\$ (40,339,476)</u>	<u>\$ (3,473,568)</u>	<u>\$ 60,636,593</u>	<u>\$ 87,378,705</u>	<u>\$ 64,811,119</u>

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

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

Fiscal Year Ended June 30	Boulder City	Henderson	Las Vegas Valley Water District	Nellis Air Force Base	North Las Vegas	Total Deliveries
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
2011	10,534	64,262	296,672	1,334	50,255	423,059
2012	10,514	63,450	284,662	1,069	48,120	407,815
2013	10,280	62,127	284,196	1,088	44,414	402,105

May be off slightly due to rounding

HISTORIC SNWA PLEDGED REVENUES

Fiscal Year Ended June 30	SNWA Pledged Revenues ^{1/2/}
2009	\$47,052,322
2010	49,830,542
2011	49,472,713
2012	49,040,027
2013	70,780,624

1/ Pledged Revenues are exactly equal to the amounts payable on the LVVWD bonds and other obligations issued on behalf of the SNWA, including debt service on the LVVWD Commercial Paper Notes.

2/ Beginning in fiscal year 2010, these amounts do not represent the full debt service payable: they are net of the BAB Credit received beginning in fiscal year 2010. Does not include debt service on SNWA Parity Bonds.

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

Fiscal Year Ending June 30	2009 (Actual)	2010 (Actual)	2011 (Actual)	2012 (Actual)	2013 (Actual)
Operating Revenues					
Wholesale Delivery Charge	\$ 112,551,974	\$ 110,097,368	\$ 119,457,411	\$ 119,239,660	\$ 117,534,578
Regional Connection Charge ^{1/}	26,789,155	5,309,547	6,602,728	13,892,856	22,915,416
Regional Water Charges	18,791,878	22,538,155	37,335,440	45,915,806	45,641,138
Sales Tax	46,333,942	41,833,183	43,577,390	46,222,883	48,847,306
Regional Infrastructure Charges				16,193,130	79,114,278
Total Operating Revenues	<u>204,466,949</u>	<u>179,778,253</u>	<u>206,972,969</u>	<u>241,464,335</u>	<u>314,052,716</u>
Operating Expenses ^{2/}	153,596,341	123,406,119	112,862,482	125,663,412	108,170,994
Net SNWA Water Revenue	<u>50,870,608</u>	<u>56,372,134</u>	<u>94,110,487</u>	<u>115,800,923</u>	<u>205,881,722</u>
Annual Debt Service on the SNWA Superior Obligations	15,733,838	13,596,088	11,053,346	2,659,971	5,991,327
Remaining SNWA Water Revenues ^{3/}	35,136,770	42,776,046	83,057,141	113,140,952	199,890,395
Unrestricted Fund Balance ^{4/}	<u>423,601,762</u>	<u>442,315,078</u>	<u>366,951,904</u>	<u>305,553,937</u>	<u>322,552,194</u>
Total	458,738,532	485,091,124	450,009,045	418,694,889	522,442,589
Annual Debt Service on the SNWA Parity Obligations ^{5/}	120,442,065	127,968,971	120,652,753	124,121,600	125,228,410
Less Capitalized Interest ^{6/}	<u>(45,349,235)</u>	<u>(53,224,059)</u>	<u>(61,829,184)</u>	<u>(68,310,080)</u>	<u>(73,763,753)</u>
Net Annual Debt Service on Parity Obligations	<u>\$ 75,092,830</u>	<u>\$ 74,744,912</u>	<u>\$ 58,823,569</u>	<u>\$ 55,811,520</u>	<u>\$ 51,464,657</u>

1/ Regional Connection Charge revenues decreased significantly in 2009 through 2012 due to slowing sales of new connections. Cash collections have been further modified with refund contingency adjustments.

2/ Excludes depreciation

3/ Represents SNWA Water Revenues that are available to pay debt service on the SNWA Parity Obligations, and to fund the MBRA.

4/ Consists of unrestricted cash, unrestricted investments, and unused sales tax proceeds.

5/ Includes debt service paid on the SNWA Parity Obligations and MBRA Parity Obligations, but does not include principal debt service on the Notes.

6/ Includes debt service paid from capitalized interest on prior bond issues. These figures include amounts that the SNWA capitalizes for accounting purposes; those amounts do not necessarily include amounts available to offset debt service payments.

This page left intentionally blank

INDEPENDENT AUDITORS' REPORT



SOUTHERN NEVADA WATER AUTHORITY

P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

**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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Southern Nevada Water Authority (SNWA) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise SNWA's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 7, 2013.

Internal Control over Financial Reporting. In planning and performing our audit of the basic financial statements, we considered SNWA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of SNWA's internal control. Accordingly, we do not express an opinion on the effectiveness of SNWA's internal control.

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

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

Compliance and Other Matters. As part of obtaining reasonable assurance about whether SNWA's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic 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 matters that we reported to management of SNWA in a separate letter dated November 7, 2013.

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

Piercy Boulder Taylor: Kim

Las Vegas, Nevada
November 7, 2013