



SOUTHERN NEVADA WATER AUTHORITY®

COMPREHENSIVE ANNUAL **FINANCIAL REPORT**

Fiscal Years Ended June 30, 2014 and 2013



The Southern Nevada Water Authority was formed in 1991 to address Southern Nevada's unique water needs on a regional basis. The cooperative agency works with other agencies in Nevada as well as in other Colorado River Basin states and throughout the world to help protect and preserve water supplies. Learn more at snwa.com.



SOUTHERN NEVADA WATER AUTHORITY

Comprehensive Annual Financial Report

For the Fiscal Years Ended June 30, 2014 and 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

John J. Entsminger
General Manager

David H. Wright
Chief Financial Officer

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Comprehensive Annual Financial Report
For the Fiscal Years Ended
June 30, 2014 and 2013

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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 4, 2014

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, 2014. This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A), and should be read in conjunction with it. The 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 the SNWA's financial activities and operations.

We believe the SNWA's internal controls over financial reporting adequately safeguard the 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 the 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 the 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. The SNWA is committed to continually improve and strengthen its internal control procedures.

Bond covenants and state statutes require an annual audit of the SNWA's basic financial statements. This year the audit was performed by the independent public accounting firm of Piercy Bowler Taylor & Kern, Certified Public Accountants and Business Advisors. 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 the 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

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PROFILE OF THE SNWA

Basic Information – The SNWA is a political subdivision of the State of Nevada (State), created in 1991 by a cooperative agreement among its member agencies. The 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. The SNWA is governed by a seven-member Board of Directors (Board) comprised of one director from each of its seven member agencies. Because its operations are autonomous from its member agencies and the State, the 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 the SNWA. In that capacity, the LVVWD previously paid substantially all operating and capital expenses on behalf of the SNWA and was reimbursed by the SNWA. As payments for the SNWA’s Capital Improvement Plan increased, the SNWA began paying construction contracts directly. The SNWA also directly pays most of the cost of the power required to operate the Southern Nevada Water System.

Accounting System – The SNWA’s 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. The SNWA uses a single enterprise fund to present its financial operations. The enterprise fund is used to account for the SNWA’s operations using full accrual accounting in a manner similar to a private business enterprise. It is the intent of the 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 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 the 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. The budget effectively controls expenditures at various levels. Division managers are accountable for their budget variances. The 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.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy – The economic environment for Las Vegas and Clark County has improved steadily over the past three years. According to the U.S. Bureau of Economic Analysis, the Las Vegas metropolitan area’s gross domestic product rose over 4% per year since 2011. According to the State of Nevada, unemployment in Clark County was 10.0% at the end of 2013, which is a significant improvement over the 13.6% at the end of 2011, and 11.7% at the end of 2012. Although higher than the 2013 national U.S. unemployment rate of 6.7%, Clark County’s unemployment rate continues to move in the right direction bolstered by improving business, convention, and gaming performance.

For calendar year 2013, the Las Vegas Convention and Visitors’ Authority reported that gaming revenue in Clark County rose by 2.9% to \$9.7 billion compared to 2012 and convention attendance rose by 3.3% to 5.1 million. These increases occurred even though total visitor count and citywide hotel/motel occupancy remained flat year-over-year at 39.7 million and 84.3% respectively.

According to the Nevada Department of Taxation, taxable sales in Clark County in June 2014 were \$3.1 billion, which is a year-over-year increase of 4.7%.

The housing market in Clark County has stabilized and is beginning to improve. Much of the excess inventory sold off between July 2011 and February 2013. In June 2014 the home inventory was 13,838, which is an increase of only .6% year-over-year. The median price for a new home is \$288,000, which is a 7.9% increase year-over-year. The existing median home price is \$165,000, which is a 3.2% increase year-over-year. New and existing home sales are down year-over-year 16.3% and .5%, respectively.

Building permits are an indication of growth in the Las Vegas valley and corresponds to the Regional Connection Charge, which is a significant capital contribution for the SNWA. According to the Clark County Development Services Building Department, the number of permits issued that are likely to generate Regional Connection Charges increased by 22.2% year-over-year.

Long-term financial planning – The 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 SNWA 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 SNWA. 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.

The Engineering Department issues capital plans annually, which the Board reviews and approves. 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, 2014, the SNWA has \$3.4 billion in outstanding general obligation debt (see Notes 14 and 16 for a discussion of outstanding SNWA debt). The 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.

The SNWA has four options to sell debt:

- Have the 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, the SNWA cannot make a general obligation (property tax) pledge, so interest rates for this debt would likely be higher.

Bond ratings as of June 30, 2014, for the four organizations listed above are listed below.

	Moody's	Standard & 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.

The 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 the investment policy. Investments are purchased through recognized and regulated brokers dealing in government securities. All investments are held by a third party custodian in the SNWA's name or are insured or collateralized with securities held by a third party in the SNWA's name. This is continually reviewed by the State treasurer's office.

The SNWA engaged a citizens' advisory committee to help determine minimum levels of fund balance. These reserve levels were predicated upon upcoming debt service requirements and were established to ensure SNWA would maintain a healthy financial position. Committee members were appointed by the SNWA's Board of Directors and represent a cross-section of community residents; businesses; chambers of commerce; and educational, environmental and financial sectors.

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 39 percent of capacity as of June 2014.

If the elevation of Lake Mead drops to 1,050 feet, the SNWA's upper Colorado River water intake (Intake No. 1) will become inoperable. Anticipating the loss of Intake No. 1, the 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.

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 the SNWA's capital commitments for the next fiscal year. It is anticipated that Intake No. 3 will be fully operational in 2015.

The 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.
- Evaluation of the need for a third pumping station to address declining levels of Lake Mead.
- Securing all necessary permitting for the Groundwater Development Project in northeast Nevada.
- Maintenance efforts on the existing water infrastructure system.

SEC REQUIREMENT

On November 10, 1994, the Securities and Exchange Commission (SEC) 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 the SNWA is presented in the SEC Disclosure Compliance Section of this report. The SNWA sends copies of its CAFR to appropriate information repositories.

AWARDS AND ACKNOWLEDGMENTS

The GFOA awarded the Certificate of Achievement for Excellence in Financial Reporting to the SNWA for its CAFR for the fiscal year ended June 30, 2013. This was the eighteenth consecutive year that the 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.

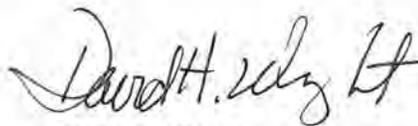
We express our appreciation to all members of the SNWA's administrative staff and the independent certified public accounting firm of Piercy Bowler Taylor & Kern. Additionally, we recognize the SNWA's accounting staff for their efforts in preparing this report, especially Richard Snelding, SNWA Controller;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

Sincerely,



John J. Entsminger

General Manager

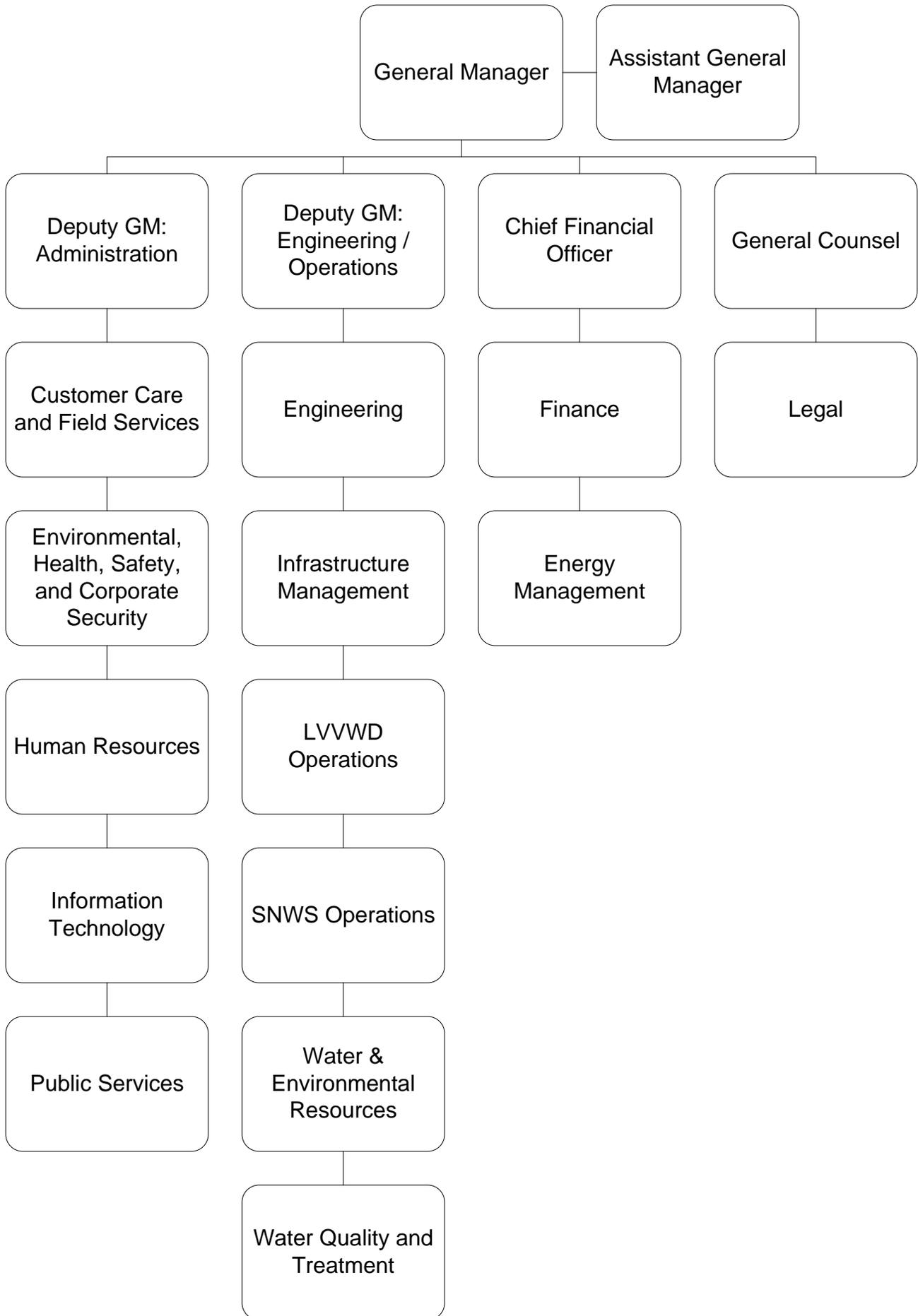


David H. Wright

Chief Financial Officer

Organizational Chart

As of June 30, 2014





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, 2013

Executive Director/CEO

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FINANCIAL SECTION



P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Board of Directors
Southern Nevada Water Authority
Las Vegas, Nevada

We have audited the accompanying financial statements of the Southern Nevada Water Authority (SNWA) as of and for the years ended June 30, 2014 and 2013, 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, 2014 and 2013, 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 beginning on page 2-3 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 4, 2014, 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 4, 2014

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis
For the fiscal years ended June 30, 2014 and 2013

As management of the Southern Nevada Water Authority (SNWA), we offer readers of the SNWA's financial statements this narrative overview and analysis of the financial activities of the SNWA for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our 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 2014

- Total assets increased \$61.6 million over the prior year totaling approximately \$5.1 billion.
- Total liabilities decreased \$46.4 million over the prior year totaling approximately \$3.6 billion.
- Total deferred outflows of resources decreased \$2.9 million over the prior year totaling approximately \$35.3 million.
- Total assets and deferred outflows of resources exceeded total liabilities at the close of the fiscal year by approximately \$1.5 billion (net position). Net position increased during the fiscal year by approximately \$105.1 million.
- Major balance sheet resources were used during the fiscal year for additions to Construction Work in Progress (\$139.8 million) arising mainly from unspent bond proceeds and collections of capital contributions.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the 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 (CAFR) also contains other supplementary and statistical information in addition to the basic financial statements.

Enterprise fund financial statements. The SNWA's operations are accounted for as a single enterprise fund using the full accrual basis of accounting. In this regard, the SNWA's operations are accounted for in a manner similar to a private business enterprise. Within this fund, the 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.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the basic financial statements. While the information included in the Management's Discussion and Analysis is at a summary level, the notes to the basic financial statements are necessary 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 the SNWA is net position, which is the difference between assets and liabilities. The condensed balance sheets below show the net position of the SNWA for the fiscal years ended June 30, 2014, 2013, and 2012.

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis
For the fiscal years ended June 30, 2014 and 2013

SOUTHERN NEVADA WATER AUTHORITY

ENTERPRISE FUND

CONDENSE STATEMENT OF NET POSITION

JUNE 30, 2014, 2013 AND 2012

(IN MILLIONS)

	June 30, 2014	Change	June 30, 2013	Change	June 30, 2012
Capital Assets	\$ 4,345.4	\$ 98.1	\$ 4,247.3	\$ 126.8	\$ 4,120.5
Current and Other Assets	707.8	(36.5)	744.3	324.0	420.3
Total Assets	5,053.2	61.6	4,991.6	450.8	4,540.8
Deferred Outflow of Resources	35.3	(2.9)	38.2	(2.8)	41.0
Total Assets and Deferred Outflow of Resources	\$ 5,088.5	\$ 58.7	\$ 5,029.8	\$ 448.0	\$ 4,581.8
Long-Term Liabilities	\$ 3,076.7	\$ (27.5)	\$ 3,104.3	\$ 351.9	\$ 2,752.4
Other Liabilities	482.3	(18.9)	501.2	8.8	492.5
Total Liabilities	3,559.1	(46.4)	3,605.5	360.6	3,244.9
Net Position					
Net Investments					
in Capita Assets	1,053.5	51.2	1,002.3	7.1	995.2
Restricted for Debt Service / Capital Assets	20.7	5.6	15.1	(7.6)	22.7
Unrestricted	455.2	48.3	406.9	87.9	319.0
Total Net Position	1,529.4	105.1	1,424.3	87.4	1,336.9
Total Liabilities and Net Position	\$ 5,088.5	\$ 58.7	\$ 5,029.8	\$ 448.0	\$ 4,581.8

May be off slightly due to rounding

Total assets increased by approximately \$61.6 million (1.2%) in fiscal year 2014 and increased approximately \$450.8 million (9.9%) in fiscal year 2013. The fiscal year 2014 and 2013 increases can be primarily attributed to the accumulation of unspent bond proceeds and a stronger collection of capital contribution items. For fiscal year 2014, capital assets increased \$98.1 million (2.3%), while current and other assets decreased by \$36.5 million (4.9%). For fiscal year 2013, capital assets increased by \$126.8 million (3.1%), as did current and other assets by \$324.0 million (77.1%). See Note 7 for further discussion of capital assets.

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis
For the fiscal years ended June 30, 2014 and 2013

Total deferred outflows of resources decreased approximately \$2.9 million (7.7%) in fiscal year 2014 and decreased \$2.8 million (6.8%) in fiscal year 2013. The SNWA was not active in the bond market in fiscal year 2014. The decrease resulted from the amortization of the deferred amount of refundings.

Total liabilities decreased approximately \$46.4 million (1.3%) in fiscal year 2014 and increased approximately \$360.6 million (11.1%) in fiscal year 2013. In fiscal year 2014, long-term liabilities decreased \$27.5 million (0.9%) where other liabilities decreased by \$18.9 million (3.8%). The change in fiscal year 2014 was primarily due to bond principal and interest payments. In fiscal year 2013, long-term liabilities increased \$351.9 million (12.8%) while other liabilities decreased \$8.8 million (1.8%). The changes in fiscal year 2013 were primarily attributable to new money bond issuance and bond refunding and restructuring activities.

Fund equity increased \$105.1 million (7.4%) in fiscal year 2014 and increased \$87.4 million (6.5%) in fiscal year 2013. Fund equity in fiscal years 2014 and 2013 benefited from increased capital contributions.

The table on the following page summarizes the statements of revenues, expenses and changes in fund equity for the fiscal years ended June 30, 2014, 2013 and 2012.

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 increased \$3.5 million (3.0%) in fiscal year 2014 and decreased \$1.7 million (1.4%) in fiscal 2013. In fiscal year 2014, the SNWA sold 1,555 (0.4%) fewer acre-feet of water than in fiscal year 2013; however, the rate per acre-foot increased from \$293 to \$303 in July 2013. In fiscal year 2013, the SNWA sold 5,710 (1.4%) fewer acre-feet than in fiscal year 2012. The rate per acre-foot did not change between fiscal years 2013 and 2012.

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis
For the fiscal years ended June 30, 2014 and 2013

SOUTHERN NEVADA WATER AUTHORITY

ENTERPRISE FUND

CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

FOR THE FISCAL YEARS ENDED JUNE 30, 2014, 2013, AND 2012

(IN MILLIONS)

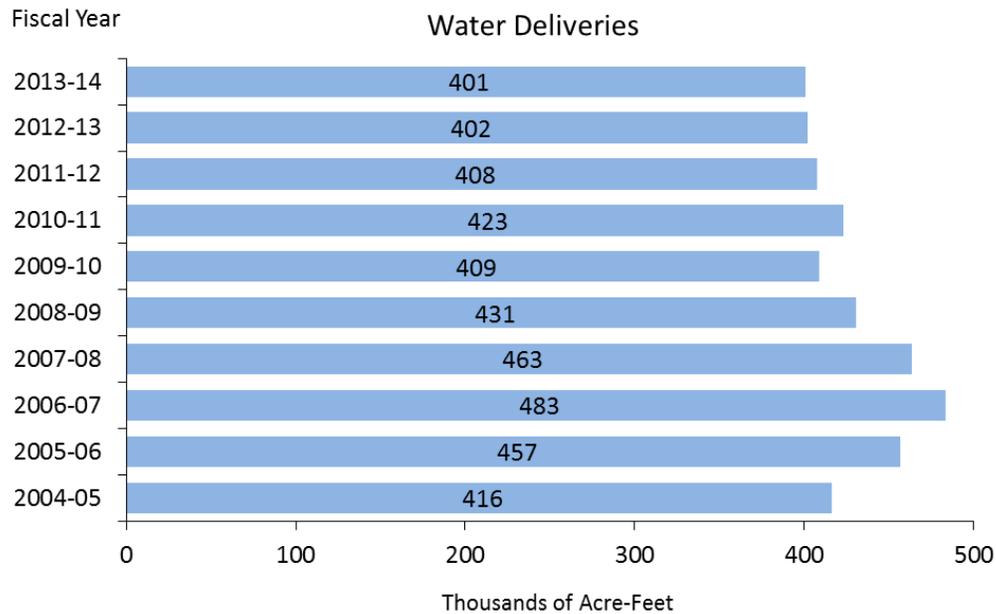
	June 30, 2014	Change	June 30, 2013	Change	June 30, 2012
Operating Revenues					
Wholesale Delivery Charges	\$ 121.0	\$ 3.5	\$ 117.5	\$ (1.7)	\$ 119.2
Other Revenues	5.5	0.3	5.2	0.9	4.3
Total Operating Revenues	126.6	3.9	122.7	(0.8)	123.5
Nonoperating Revenues					
Credit Payment Income	10.1	(0.2)	10.3	(0.6)	10.9
Investment Income	2.3	1.6	0.7	(0.1)	0.8
Total Nonoperating Revenues	12.4	1.4	11.0	(0.7)	11.7
Total Revenues	139.0	5.3	133.7	(1.5)	135.2
Operating Expenses					
Personnel and Related	50.2	6.3	43.9	0.4	43.5
Energy	53.4	17.1	36.3	(8.2)	44.5
Depreciation	75.9	1.0	74.9	-	74.9
Operating and Maintenance	34.5	6.6	27.9	(9.8)	37.7
Total Operating Expenses	214.0	31.0	183.0	(17.6)	200.6
Total Nonoperating Expenses	57.8	(11.4)	69.2	(4.6)	73.8
Total Expenses	271.7	19.5	252.2	(22.2)	274.4
Loss Before Capital Contributions	(132.8)	(14.3)	(118.5)	20.7	(139.2)
Capital Contributions	237.8	31.9	205.9	70.2	135.7
Increase (Decrease) in Net Position	105.1	\$ 17.7	87.4	\$ 90.9	(3.5)
Net Position, Beginning of Year	\$ 1,424.3		\$ 1,336.9		\$ 1,340.4
Net Position End of Year	\$ 1,529.4		\$ 1,424.3		\$ 1,336.9

May be off slightly due to rounding

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis
For the fiscal years ended June 30, 2014 and 2013

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



The \$1.4 million (12.8%) increase in nonoperating revenues for fiscal year 2014 reflects higher returns on investments due to a recovering investment market. The \$0.7 million (6.0%) decrease in non-operating revenues for fiscal year 2013 was attributable to a decrease in credit payment income.

The \$6.3 million (14.4%) increase in personnel and related expenses in fiscal year 2014 was primarily caused by an increase in the payroll overhead allocation from the LVVWD to the SNWA. Another contributing factor was the annual cost-of-living adjustment. The \$0.4 million (0.9%) increase in personnel and related expenses in fiscal year 2013 mainly reflects the annual cost-of-living adjustment received by the SNWA employees, lessened by a reduction of staff.

Energy costs increased \$17.1 million (47.1%) in fiscal year 2014 and decreased \$8.2 million (18.4%) in fiscal year 2013. The increase in fiscal year 2014 was mainly driven by one-time payments related to the Silverhawk Power Plant for transmission costs and a termination payment. Additionally, because the SNWA required more energy to draw water from lower lake levels, the cost per unit increased. In fiscal year 2013, the SNWA increased its energy usage slightly; however, the cost per unit decreased and drove the overall energy cost down.

Depreciation expenses for fiscal year 2014 increased \$1.0 million (1.3%) from fiscal year 2013, mainly due to an increase in structures and improvements during the fiscal year 2014. Depreciation expenses for fiscal year 2013 remained consistent with the previous year.

Operating and maintenance expenses increased \$6.6 million (23.6%) in fiscal year 2014 and decreased \$9.8 million (26.0%) in fiscal year 2013. The increase in fiscal year 2014 and decrease in fiscal year 2013 were primarily related to an inventory adjustment that occurred in the fiscal year 2013. Other factors include increasing chemical costs and water treatment consumables, as well as, a lesser reliance on outside consultants in fiscal year 2014.

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis
For the fiscal years ended June 30, 2014 and 2013

Non-operating expenses decreased \$11.4 million (16.5%) and \$4.6 million (6.2%) in fiscal years 2014 and 2013, respectively. These reductions were due to decreased bond interest payments and commercial paper expenses. As bond payments are made over time, the interest component decreases as the principal component increases.

Capital contributions are revenues that the SNWA began collecting in 1996 to fund its \$4.8 billion Major Construction and Capital Plan (MCCP). In order of amount 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 surcharge, (6) the regional infrastructure charge, and (7) various other small charges.

Capital contributions increased by \$31.9 million (15.5%) in fiscal year 2014 and \$70.2 million (51.7%) in fiscal year 2013. The increase in fiscal year 2014 was primarily attributable to \$21.9 million (95.6%) additional Regional Connection Charges collected, which is explained by an improving economy. The increase in fiscal year 2013 was predominantly due to the first full year of Infrastructure Charge collections since implementation in late fiscal year 2012.

Capital Asset and Debt Administration

Capital Assets. The SNWA's investment in capital assets as of June 30, 2014, amounted to approximately \$4.3 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 year 2014 totaled approximately \$108.4 million. Contract commitments total approximately \$109.7 million. See Note 7 to the basic financial statements for additional information on the types and values of the SNWA's capital assets.

Debt Administration. At the end of fiscal year 2014, the SNWA had general obligation debt totaling approximately \$3.5 billion. Details concerning all debt issues can be found in Note 14 and 16 to the basic financial statements.

Economic Factors and Next Year's Goals

The SNWA's financial outlook continues to remain satisfactory. The economic environment of Las Vegas and Clark County has improved steadily over the past three years. 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 less than Las Vegas experienced in the 1990s and early 2000s. Management continues to review the financial conditions of the area and actively takes steps to insure the SNWA's financial stability.

Currently, the major concern for southern Nevada continues to be the multi-year drought affecting the Colorado River basin. The amount of water in Lake Mead has declined by approximately 60% since the year 2000. As of June 2014, the lake level was 1,082 feet. While this level is above the SNWA's two intakes, drawing water closer to the surface creates water quality challenges. In response, the SNWA is working within Nevada and with other Colorado River Basin states to develop solutions to weather the drought. The SNWA is also currently constructing a third intake into Lake Mead to help ensure continued access to its Colorado River allocation as lake levels fall.

In fiscal year 2014, the SNWA updated its strategic goals, which included shifting its emphasis from continued growth to maintaining the more balanced and mature existing infrastructure system.

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis
For the fiscal years ended June 30, 2014 and 2013

The citizens' advisory committee engaged by the SNWA is reviewing drought conditions on the Colorado River and declining levels of Lake Mead so they may develop formal recommendations for Board consideration of infrastructure to pump water from declining lake levels. Of major consideration is the third pumping station to pump water from the third intake. This project is estimated to cost approximately \$650 million.

Requests for Information

This financial report is designed to provide a general overview of the SNWA's finances for all those with an interest in the government'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. The website also contains financial and operational information pertaining to the SNWA as well as helpful information concerning conservation and water issues.

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BASIC FINANCIAL STATEMENTS



SOUTHERN NEVADA WATER AUTHORITY

SOUTHERN NEVADA WATER AUTHORITY
ENTERPRISE FUND
STATEMENTS OF NET POSITION

	<u>June 30,</u> <u>2014</u>	<u>June 30,</u> <u>2013</u>
ASSETS		
CURRENT ASSETS		
Current Assets - Restricted		
Investments	\$ 196,400,682	\$ 256,562,585
Sales Tax Receivable	<u>15,136,678</u>	<u>13,917,603</u>
Total Current Assets - Restricted	<u>211,537,360</u>	<u>270,480,188</u>
Current Assets - Unrestricted		
Cash and Cash Equivalents	57,985,477	96,655,866
Investments	264,943,335	211,978,725
Due From Member Agencies	39,013,901	37,452,834
Other Receivables	6,508,863	3,005,150
Other Current Assets	<u>41,462,242</u>	<u>38,300,443</u>
Total Current Assets - Unrestricted	<u>409,913,818</u>	<u>387,393,018</u>
Total Current Assets	<u>621,451,178</u>	<u>657,873,206</u>
NONCURRENT ASSETS		
Capital Assets		
Capital Assets Subject to Depreciation		
Property, Plant and Equipment	3,027,902,919	2,995,845,393
Accumulated Depreciation	<u>(1,016,048,944)</u>	<u>(940,457,725)</u>
Net Capital Assets Subject to Depreciation	<u>2,011,853,975</u>	<u>2,055,387,668</u>
Capital Assets Not Subject to Depreciation		
Land	92,323,192	92,248,192
Natural Resources Rights	393,537,487	391,792,304
Construction Work in Progress	<u>1,847,684,063</u>	<u>1,707,861,690</u>
Net Capital Assets Not Subject to Depreciation	<u>2,333,544,742</u>	<u>2,191,902,186</u>
Total Net Capital Assets	<u>4,345,398,717</u>	<u>4,247,289,854</u>
Other Noncurrent Assets		
Water Recharge Inventory	<u>86,344,645</u>	<u>86,423,098</u>
Total Noncurrent Assets	<u>4,431,743,362</u>	<u>4,333,712,952</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount on Refundings	<u>35,259,740</u>	<u>38,181,345</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 5,088,454,280</u>	<u>\$ 5,029,767,503</u>

The accompanying notes are an integral part of these financial statements

SOUTHERN NEVADA WATER AUTHORITY
ENTERPRISE FUND
STATEMENTS OF NET POSITION

LIABILITIES AND NET POSITION	June 30, 2014	June 30, 2013
CURRENT LIABILITIES		
Accounts Payable	\$ 41,413,840	\$ 47,264,171
Accrued Interest Payable	14,927,411	15,008,127
Capitalized Interest Payable		17,015,050
Pending Regional Connection Charge Refunds	1,706,257	5,043,115
Current Portion of Notes Payable	1,249,043	1,205,919
Current Portion of Bonds Payable	23,041,540	15,666,540
Short Term Debt Payable	400,000,000	400,000,000
Total Current Liabilities	482,338,091	501,202,922
NONCURRENT LIABILITIES		
Postemployment Benefits Other than Pension	4,118,866	3,569,975
Notes Payable, Net of Current Portion	7,958,323	9,207,366
Bonds Payable, Net of Current Portion, Unamortized Premiums and Discounts	3,064,653,063	3,091,474,683
Total noncurrent liabilities	3,076,730,252	3,104,252,024
TOTAL LIABILITIES	3,559,068,343	3,605,454,946
NET POSITION		
Net Investments in Capital Assets	1,053,490,593	1,002,302,170
Restricted for Debt Service / Capital Assets	20,731,026	15,122,934
Unrestricted	455,164,318	406,887,453
Total Net Position	1,529,385,937	1,424,312,557
TOTAL LIABILITIES AND NET POSITION	\$ 5,088,454,280	\$ 5,029,767,503

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 FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES		
Wholesale Delivery Charges	\$ 121,045,154	\$ 117,534,578
Groundwater Management Fees	842,191	863,417
Administration Costs Recoveries	425,765	383,443
Las Vegas Wash Revenues	397,408	397,708
Other Revenues	3,843,389	3,525,867
Total Operating Revenues	<u>126,553,907</u>	<u>122,705,013</u>
OPERATING EXPENSES		
Personnel and Related	50,216,887	43,880,414
Energy	53,409,820	36,347,165
Depreciation	75,853,379	74,943,316
Operating and Maintenance	34,483,860	27,943,415
Total Operating Expenses	<u>213,963,946</u>	<u>183,114,310</u>
OPERATING LOSS	<u>(87,410,039)</u>	<u>(60,409,297)</u>
NON-OPERATING REVENUES (EXPENSES)		
Investment Income	2,309,538	740,407
Credit Payment Income	10,097,944	10,316,798
Interest Expense	(55,351,153)	(64,010,853)
Amortization of Refunding Costs	(2,921,604)	(2,926,272)
Bond Issue and Commercial Paper Costs	(3,314,554)	(5,606,185)
Amortization of Bond Premiums and Discounts	3,780,080	3,291,755
Other	44,132	63,295
Total Non-operating Revenues (Expenses)	<u>(45,355,617)</u>	<u>(58,131,055)</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS	(132,765,656)	(118,540,352)
Capital Contributions	237,839,036	205,919,057
NET INCOME	<u>105,073,380</u>	<u>87,378,705</u>
NET POSITION - BEGINNING OF THE YEAR	1,424,312,557	1,336,933,852
NET POSITION - END OF THE YEAR	<u>\$ 1,529,385,937</u>	<u>\$ 1,424,312,557</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, 2014 AND 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
General and Administrative / Resources Charges	\$ 1,853,362	\$ 1,629,728
Groundwater Management Fees	842,191	863,417
Las Vegas Wash Revenues	397,408	397,708
Wholesale Delivery Charges	119,876,517	120,996,382
Other Revenues	2,330,093	2,273,173
Cash Payments to Suppliers of Goods and Services	(133,503,645)	(95,395,415)
Net Cash Provided by (Used In) Operating Activities	(8,204,074)	30,764,993
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase or Construction of Capital Assets	(97,873,595)	(125,231,706)
Proceeds from Disposal of Property and Equipment	79,997	66,212
Proceeds of Debt Issuance		360,000,000
Principal Paid on Debt	(16,872,459)	(15,130,824)
Interest Paid on Debt	(156,595,796)	(124,023,036)
Capital Contributions	220,278,434	190,995,018
Credit Payment Income	10,084,583	10,394,293
Net Cash Provided by (Used In) Capital and Related Financing Activities	(40,898,836)	297,069,957
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Investment Securities	(280,153,479)	(1,011,501,617)
Proceeds from Sales or Maturities of Investment Securities	279,771,145	685,963,512
Investment Earnings	10,814,855	4,349,088
Net Cash Provided by (Used In) Investing Activities	10,432,521	(321,189,017)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(38,670,389)	6,645,933
Cash and Cash Equivalents, Beginning of Year	96,655,866	90,009,933
Cash and Cash Equivalents, End of year	\$ 57,985,477	\$ 96,655,866
RECONCILIATION OF OPERATING LOSS		
TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating Loss	\$ (87,410,039)	\$ (60,409,297)
Depreciation	75,853,379	74,943,316
Operating Expenses Paid by Contributed Capital	9,744,788	11,886,752
Changes in Assets and Liabilities		
(Increase)/Decrease in Due from Member Agencies	588,152	3,279,032
(Increase)/Decrease in Other Receivables	(3,709,210)	6,926,362
(Increase) in Other Current Assets	(3,161,799)	(3,711,712)
(Increase)/Decrease in Water Recharge Inventory	78,453	(215,996)
Increase/(Decrease) in Accounts Payable	(736,688)	(2,627,673)
Increase/(Decrease) in Other Post Employment Benefits	548,890	694,209
Net Cash Provided by (Used In) Operating Activities	\$ (8,204,074)	\$ 30,764,993
NON-CASH INVESTING, AND CAPITAL AND RELATED FINANCING ACTIVITIES		
Changes in Fair Value of Investments	\$ 646,676	\$ (408,235)
Deferred (Gain)/Loss on Refunded Bonds		109,358
Refunding Bonds Issued		(21,720,000)
Bonds Refunded		21,350,000
Contributed Capital	(7,815,814)	(3,037,287)

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, 2014 and 2013

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. The 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 the Las Vegas Valley Water District (LVVWD). The cooperative agreement was last amended in 2005. The facilities and operations agreement was last amended in 2012.

The 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 the SNWA equally. The 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 the SNWA. In 1991, each member agency made an initial contribution to the SNWA for operating and administrative expenses in the amount of \$15,000. Assessments for additional funds needed by the 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 the 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 the SNWA operations during the fiscal year ended June 30, 2014.

Operating Agent (LVVWD) (Related Party Disclosure)

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

The LVVWD allocates a portion of its payroll costs to the SNWA for the LVVWD employees who are utilized on SNWA-related matters and also pays certain costs and operating expenses on behalf of the SNWA. The SNWA has no employees of its own.

During the mid-1990s, the LVVWD paid substantially all operating and capital expenses on behalf of the SNWA, and the SNWA reimbursed the LVVWD monthly. In the late 1990s, to mitigate potential cash flow demands on the LVVWD under this arrangement, the 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, the SNWA advanced a total of \$19 million to the LVVWD to fund future SNWA-related operating expenses made on its behalf. The advance is replenished monthly and will be applicable throughout the SNWA's and LVVWD's operating agent relationship. The SNWA also pays any large recurring expense that it deems would be detrimental to the LVVWD's cash flow.

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

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2014 and 2013

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

The 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 the LVVWD's CAFR can be found at www.lvvwd.com or can be obtained by mailing a request to the SNWA.

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 the SNWA. Along with the transfer of these assets, the CRC transferred all books and records in its possession relating to the 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, net position, revenues, and expenses.

Enterprise Fund

The 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, the 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. The 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*, the SNWA applies the requirements of the Financial Accounting Standard Board Statements, Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the use of estimates by management. Such estimates primarily relate to unsettled transactions and events as of the date of the basic financial statements. Actual results 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). Authorized investments are described in Note 3. 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

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2014 and 2013

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, the 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, 2014, was \$303 per acre-foot (AF) of treated Colorado River water delivered to the purveyor members of the SNWA. The wholesale delivery charge is designed to fund operation and maintenance of the SNWS, as well as the SNWA administration. The SNWA also charged \$232 per AF for raw Colorado River water delivered to the City of Boulder City for use on golf courses. For the fiscal year ended 2014, 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 the SNWA that do not physically take potable water from the SNWA water system. These costs vary by purveyor and are designed to help compensate the 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 the SNWA's northern resource properties' activities.

Non-operating 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.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2014 and 2013

Expenses

Operating expenses include the costs of personnel allocations from the LVVWD, energy costs, and other costs associated with the operation and maintenance of the SNWS, as well as the 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 the SNWA receives that are restricted for use in a variety of capital improvement programs (Note 17).

Litigation Defense Costs

The 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 the SNWA that represents water rights.

Restatement and Reclassifications

Certain minor reclassifications have been made to fiscal year 2013 amounts to conform to the fiscal year 2014 presentation.

New Accounting Pronouncements

In June 2012, the GASB issued statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*, effective for fiscal years beginning after June 15, 2014. Earlier application is encouraged. This primary objective of this Statement is to improve financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements. The SNWA is currently evaluating how the adoption of Statement No. 68 will affect the SNWA's financial position, results of operation or cash flow.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*, which is effective for financial periods beginning after December 15, 2013 and should be applied on a prospective basis. Earlier application is encouraged. Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. Government combinations include a variety of transactions referred to as mergers, acquisitions and transfers of operations. The SNWA does not expect the adoption of Statement No. 69 to affect the SNWA's financial position, results of operation or cash flow.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which is effective for fiscal years beginning after June 15, 2014. Earlier implementation is

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encouraged. The Statement amends paragraph 137 of Statement No. 68, Accounting and Financial Reporting for Pensions. The objective of the Statement No. 68 concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and non-employee contributing entities. The SNWA is currently evaluating how the adoption of Statement No. 71 will affect the SNWA's financial position, results of operation or cash flow.

NOTE 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of demand deposit accounts containing restricted and unrestricted cash. Beginning in December 2009, the SNWA deposited bond proceeds and matured investment proceeds in the LVVWD's demand deposit account. The funds are readily available to the SNWA as needed and are collateralized as described below. Cash balances as of June 30, 2014 and 2013, were \$57,985,477 and \$96,655,866 respectively. The SNWA bank balances as of June 30, 2014, and 2013, were \$42,491,234 and \$11,198,575 respectively. The LVVWD held \$15,864,560 and \$85,864,560 of the funds as of June 30, 2014 and June 30, 2013 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 the SNWA participates in the pool by pledging securities for the 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

The SNWA's investment policy limits investments and risks to those permitted under the laws of the State of Nevada. The investments and risks authorized by NRS 355.170 relevant to the SNWA's investments are as follows:

- Bonds, debentures, bills, and notes of United States (U.S.), the maturity dates of which are not more than ten 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 other obligations issued by banks for cooperatives under the authority of the Farm Credit Act of 1933.
- Obligations of an agency or instrumentalities of the U.S. or a corporation sponsored by the government, the maturity dates of which are not to exceed ten years after the date of purchase.
- Negotiable certificates of deposit (CDs) issued by commercial banks, insured credit unions, or savings and loan associations. Credit quality ratings and percentage allowed of total investments are not specified.
- Nonnegotiable CDs issued by insured commercial banks, insured credit unions, or insured savings and loan associations, except certificates that are not within the limit of insurance provided by an instrumentality of the U.S. unless those certificates are appropriately collateralized.
- Negotiable notes medium-term obligations issued by local governments of the State of Nevada.

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- Obligations of state and local governments if (1) the interest on the obligation is exempt from gross income for federal income tax purposes and (2) the obligation has been rated “A” or higher by one or more nationally recognized bond credit rating agencies.
- Commercial paper issued by a corporation organized and operating in the U.S. or by a depository institution licensed by the U.S. or any state and operating in the U.S. that (1) is purchased from a registered broker-dealer; (2) has a remaining term to maturity at the time of purchase 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 investments in commercial paper may not, in aggregate value, exceed 20% of the total portfolio as determined on the date of purchase. If the rating of the obligation is reduced to a level that does not meet the requirements, it must be sold as soon as possible.
- Obligations of the Federal Agricultural Mortgage Corporation.

The SNWA’s investments were as follows:

Investment Type	Estimated Fair Value	
	June 30, 2014	June 30, 2013
U.S. Treasury Notes	\$ 265,761,889	\$ 124,584,749
U.S. Agency Bonds	190,031,354	330,090,794
Negotiable CDs	3,362,153	9,362,553
Municipal Bonds	2,188,621	3,783,214
Total Investments Excluding Non-Negotiable CDs	461,344,017	467,821,310
Non-Negotiable CDs	-	720,000
Total Investments Including Non-Negotiable CDs	\$ 461,344,017	\$ 468,541,310

In fiscal years 2014 and 2013, the SNWA’s investments included bank FDIC insured nonnegotiable CDs. Because GASB Statement No. 40 considers bank nonnegotiable CDs as bank deposits rather than investments, they are excluded from further disclosures in this note.

Credit Risk

As of June 30, 2014, the SNWA’s investment ratings and estimated fair values were as follows:

Investment Type	S&P	Moody’s	Fair Value
U.S. Agency Bonds	AA+	Aaa	\$ 181,824,712
U.S. Agency Bonds	Unrated	Unrated	8,206,642
Negotiable CDs	Unrated	Unrated	3,362,153
Municipal Bonds	AA-	A1	1,135,871
Municipal Bonds	AA	Aa2	1,052,750

As of June 30, 2013, the SNWA’s investment ratings and estimated fair values were as follows:

Investment Type	S&P	Moody’s	Fair Value
U.S. Agency Bonds	AA+	Aaa	\$ 321,840,034
Negotiable CDs	Unrated	Unrated	9,362,641
U.S. Agency Bonds	Unrated	Unrated	8,250,758
Municipal Bonds	AA	Aa2	2,119,420
Municipal Bonds	AA-	Aa3	1,663,794

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Concentration of Credit Risk

As of June 30, 2014, the following investments individually comprise 5% or more of the SNWA's total investment portfolio.

Issuer	Investment Type	Percentage of Investments
Federal Home Loan Mortgage Corporation	U.S. Agency Bonds	22%
Federal National Mortgage Association	U.S. Agency Bonds	15%

As of June 30, 2013, the following investments individually comprise 5% or more of the SNWA's total investment portfolio.

Issuer	Investment Type	Percentage of Investments
Federal Home Loan Bank	U.S. Agency Bonds	26%
Federal Home Loan Mortgage Corporation	U.S. Agency Bonds	26%
Federal National Mortgage Association	U.S. Agency Bonds	16%

Interest Rate Risk

As of June 30, 2014, the SNWA's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Days)
U.S. Treasury Notes	\$ 265,761,889	557
U.S. Agency Bonds	190,031,354	270
Negotiable CDs	3,362,153	208
Municipal Bonds	2,188,621	1,110
Total Fair Value	<u>\$ 461,344,017</u>	
Portfolio Weighted Average Maturity		439

As of June 30, 2013, the SNWA's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Days)
U.S. Treasury Notes	\$ 124,584,749	864
U.S. Agency Bonds	330,090,794	437
Negotiable CDs	9,362,553	292
Municipal Bonds	3,783,214	988
Total Fair Value	<u>\$ 467,821,310</u>	
Portfolio Weighted Average Maturity		552

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NOTE 4. DUE FROM MEMBER AGENCIES

The 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 the SNWA monthly.

Also, the SNWA has advanced funds to the LVVWD that are used to fund daily operating costs paid by the LVVWD. The LVVWD sends the SNWA monthly detailed bills for expenses the LVVWD incurred on the SNWA's behalf and the SNWA pays these billings as they occur. At year end, the SNWA nets any outstanding amounts owed to the LVVWD against the advance and shows the unused balance of advanced funds in the due from member agencies account. As of June 30, 2014 and 2013, those net amounts shown in the sums below were \$8,567,921 and \$10,338,264, 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, 2014 and 2013, the following amounts were due from the SNWA's member agencies:

Due From Member Agencies

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Las Vegas Valley Water District	\$ 28,337,565	\$ 29,599,559
City of North Las Vegas	3,985,835	3,772,620
City of Henderson	5,855,946	3,600,997
City of Boulder City	705,123	367,065
Nellis Air Force Base	78,237	73,966
Big Bend Water District	38,279	35,710
Clark County Water Reclamation District	12,917	2,917
Total	<u>\$ 39,013,901</u>	<u>\$ 37,452,834</u>

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NOTE 5. RECEIVABLES

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

The following amounts were due as of June 30, 2014 and 2013:

Receivables		
Type	June 30, 2014	June 30, 2013
Current Receivables - Restricted		
State of Nevada - Department of Taxation	\$ 15,136,678	\$ 13,917,603
Current Receivables - Unrestricted		
Grants Receivable	4,210,762	573,699
Federal BAB Bond Interest Receivable	826,605	813,244
Accrued Investment Earnings	1,391,848	1,610,707
Aerial Imagery Project--RTC	10,000	7,500
NV Energy Water Lease	69,648	
Total Current Receivables - Unrestricted	6,508,863	3,005,150
Total Current Receivables	<u>\$ 21,645,541</u>	<u>\$ 16,922,753</u>

NOTE 6. OTHER CURRENT ASSETS

Other current assets consist of prepaid expenses and miscellaneous current assets located at the SNWA's northern resource property locations. The \$3.2 million (8.3%) increase in other current assets is due primarily to prepaid power. During the year, the SNWA used funds to secure future power (electricity and natural gas) contracts.

The following items are included in other current assets for June 30, 2014 and 2013:

Other Current Assets		
Type	June 30, 2014	June 30, 2013
Prepaid Power	\$ 39,488,087	\$ 36,047,415
Prepaid Leases	900,576	1,227,078
Ranch Inventory	583,499	570,934
Prepaid Insurance	489,030	453,967
Prepaid Retirement Premium	1,050	1,049
Total	<u>\$ 41,462,242</u>	<u>\$ 38,300,443</u>

NOTE 7. CAPITAL ASSETS

The following capital assets schedules summarize changes in major categories of capital assets for fiscal years ended June 30, 2014 and 2013. Natural resources rights are described in more detail in Note 8, and Construction Work in Progress is described in more detail in Note 9.

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Notes to Basic Financial Statements For the fiscal years ended June 30, 2014 and 2013

Capital Assets June 30, 2014

Capital Assets Category	Balance at June 30, 2013	Additions	Cost Adjustments	Retirements/ Transfers	Balance at June 30, 2014
Capital Assets Subject to Depreciation					
Structures and Improvements	\$ 689,594,314	\$ 28,073,215	\$ 666,254		\$ 718,333,783
Pumping Stations and Wells	638,557,353	1,208	45,246	\$ (3,086)	638,600,721
Transmission/Distribution/Mains	1,427,518,985		(259,317)		1,427,259,668
Office Furniture and Equipment	112,117,580	1,723,289	950,084	(136,777)	114,654,176
Transportation/Work/Equipment	6,194,950	172,402		(83,490)	6,283,862
Power Plant	101,854,657				101,854,657
Northern Resources Assets	20,007,554	857,889	125,282	(74,673)	20,916,052
Total Capital Assets Subject to Depreciation	2,995,845,393	30,828,003	1,527,549	(298,026)	3,027,902,919
Accumulated Depreciation					
Structures and Improvements	305,540,973	31,919,437			337,460,410
Pumping Stations and Wells	156,870,172	15,477,627		(3,087)	172,344,712
Transmission/Distribution/Mains	339,749,853	19,576,519			359,326,372
Office Furniture and Equipment	90,980,614	3,323,031		(114,740)	94,188,905
Transportation/Work/Equipment	5,473,171	282,454		(83,490)	5,672,135
Power Plant	31,122,255	3,395,155			34,517,410
Northern Resources Assets	10,720,687	1,879,156		(60,843)	12,539,000
Total Accumulated Depreciation	940,457,725	75,853,379		(262,160)	1,016,048,944
Net Capital Assets Subject to Depreciation	2,055,387,668	(45,025,376)	1,527,549	(35,866)	2,011,853,975
Capital Assets Not Subject to Depreciation					
Land and Land Rights	92,248,192	75,000			92,323,192
Natural Resource Rights	391,792,304	1,745,183			393,537,487
Construction in Progress	1,707,861,690	167,747,184		(27,924,811)	1,847,684,063
Net Capital Assets Not Subject to Depreciation	2,191,902,186	169,567,367		(27,924,811)	2,333,544,742
Total Net Capital Assets	\$ 4,247,289,854	\$ 124,541,991	\$ 1,527,549	\$ (27,960,677)	\$ 4,345,398,717

Capital Assets June 30, 2013

Capital Assets Category	Balance at June 30, 2012	Additions	Cost Adjustments	Retirements/ Transfers	Balance at June 30, 2013
Capital Assets Subject to Depreciation					
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
Transportation/Work/Equipment	6,288,448	323,164	4,690	(421,352)	6,194,950
Power Plant	101,854,657				101,854,657
Northern Resources Assets	17,793,245	533,108	1,698,701	(17,500)	20,007,554
Total Capital Assets Subject to Depreciation	2,967,380,529	26,860,264	2,136,585	(531,985)	2,995,845,393
Accumulated Depreciation					
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
Capital Assets Not Subject to Depreciation					
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

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NOTE 8. NATURAL RESOURCES RIGHTS

Arizona Water Bank

In 1993, the Board approved a cooperative agreement among its member agencies for funding and participation in the Arizona Underground Storage Demonstration Project (the Project). The Project was originally an agreement between the Central Arizona Water Conservation District (CAWCD) and the Metropolitan Water District of Southern California to store water from the Colorado River in underground aquifers in Arizona. The 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 the SNWA. Under the Project, the SNWA purchased the 50,000 AF of water available for future use and funded the expenditure through capital contributions from the SNWA's member agencies.

In 2001, the SNWA and CRC approved an Agreement for Interstate Water Banking (Banking Agreement) with the Arizona Water Banking Authority (AWBA). The AWBA agreed to use its best efforts to store 1.2 million AF of Colorado River water underground in Arizona for the SNWA under the Banking Agreement, and two related agreements that were executed in 2002. Also in 2002, the SNWA and the CRC entered into an agreement with the AWBA to allow the SNWA to store water in Arizona during that year while the remaining agreements were being negotiated. Under the 2002 agreement, the SNWA stored 66,595 AF of Colorado River water in Arizona. In 2004, as part of a subsequent agreement, the AWBA agreed to store an extra 10,000 AF of Nevada's unused Colorado River water for the 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, the 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, the SNWA agreed to pay the 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 the SNWA from its obligation to pay the 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 the SNWA will pay a \$20,000 annual administrative fee for maintenance of the SNWA's storage credits.

As of June 30, 2014, the SNWA has capitalized a total of \$132.9 million related to the 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), the SNWA also acquired surface and groundwater rights associated with the properties. Through June 30, 2012, the SNWA 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. The SNWA intends to use the surface water rights to help manage the groundwater basin and support other environmental management activities associated with its Clark, Lincoln and White Pine Counties Groundwater Development Project.

The Bureau of Land Management (BLM) and United States Forest Service (USFS) issue permits allowing livestock to graze on lands in districts formed primarily under the Taylor Grazing Act. These grazing permits specify grazing preference and the terms and conditions under which permittees may graze these lands during the term of the

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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, 2014, the SNWA owned permits equivalent to 64,548 AUMs. The 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, 2014, the 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, the SNWA purchased 3,662 AF of water rights from several shareholders. In 2000, the 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 the MVIC, along with additional shares of other northeastern Clark County rural irrigation companies. The authorization does not give a specific limit for the MVIC acquisition but instead establishes a \$57.1 million limit for post 2007 acquisitions or leases of the MVIC and two other rural irrigation companies. The SNWA has not exceeded this authorization.

As of June 30, 2014, the SNWA has capitalized \$62.1 million of costs related to the acquisition of Muddy River water rights.

Hydropower Rights

The CRC was created in 1935 for the purpose of securing and distributing Nevada's right to Colorado River water and hydroelectric power. The 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, the 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. The CRC purchased Pioneer's entire portfolio of energy contracts including hydropower. In January 2003, the SNWA purchased Pioneer's hydropower contract from the CRC for \$53 million, allowing the CRC to retain the Pioneer supplemental energy portfolio and use the \$53 million to settle those contracts.

There are five contracts associated with the Pioneer hydropower. Two are associated with power generated at the Hoover Dam, two at the Parker-Davis Dam, and one is related to the transmission of the hydropower. The Hoover Dam contracts expire in 2017, and the Parker-Davis Dam contracts expire in 2028. The 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).

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Virgin River Water Rights Development

In 1994, the Board agreed to accept assignment of Nevada's Virgin River water rights from the LVVWD, subject to the SNWA reimbursing the LVVWD for all costs incurred related to the acquisition of those water rights. Additionally the SNWA acquired 350 shares of the 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 the SNWA and the Virgin Valley Water District (VVWD) in 2000, the SNWA transferred 3,710 AF of its water rights to the VVWD to assist 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 the BIC and the Mesquite Irrigation Company (MIC). The authorization which includes the 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 the MVIC, BIC, and MIC. The SNWA has not exceeded this authorization.

As of June 30, 2014, the SNWA has capitalized \$39.2 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, the SNWA purchased another 1,500 AF of water rights from Coyote Springs Investment, LLC.

As of June 30, 2014, the 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, the 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 the LVVWD for a payment of \$9.9 million, which represented the LVVWD's costs to date of developing and perfecting those water rights.

As of June 30, 2014, the SNWA has capitalized \$10.1 million related to the acquisition of these water rights which includes the initial payment to the LVVWD plus additional costs that have been incurred.

Other Water Rights

In 2010, the 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 the SNWA is the sole entity authorized to receive this water.

Groundwater Management Program

In 1999, the Nevada Legislature directed the 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.

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As of June 30, 2014, the 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, 2014 and 2013:

Natural Resources Rights		
Type	June 30, 2014	June 30, 2013
Arizona Water Bank	\$ 132,889,372	\$ 131,365,372
Northern Resource Property and Rights	62,165,559	62,165,559
Muddy River Water Rights	62,134,195	62,134,195
Hydropower Rights	53,000,000	53,000,000
Virgin River Water Rights Development	39,170,390	38,949,207
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>\$ 393,537,487</u>	<u>\$ 391,792,304</u>

NOTE 9. CONSTRUCTION IN PROGRESS

The 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 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, the 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.

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In 2002, the 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 SNWA 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.

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 the 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.

The 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 the SNWA hires to do planning, oversight, and other capital related tasks. Since these consultants invoice the SNWA by total time spent on SNWA projects and not specific tasks, the costs cannot be traced to specific items in the capital plan.

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Capitalization of Interest Income / Expense

The 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. The SNWA capitalized \$80,834,353 and \$74,582,373 of interest expense, which was partially offset by \$706,828 and \$818,620 of interest income, in the fiscal years ended June 30, 2014 and 2013, respectively.

The following shows the construction in progress balance as of June 30, 2014 and 2013:

<u>Construction In Progress</u>		
<u>Type</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Major Construction and Capital Plan	\$ 1,339,933,665	\$ 1,197,584,619
Las Vegas Wash Capital Improvement Plan	12,969,717	21,496,067
Indirect Costs	494,780,681	488,781,004
Total Construction In Progress	<u>\$ 1,847,684,063</u>	<u>\$ 1,707,861,690</u>

NOTE 10. WATER RECHARGE INVENTORY

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

In 2006, the Board approved an agreement between the 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 the SNWA for future use by all member agencies. In addition the SNWA entered into a cooperative agreement with the LVVWD to allow the SNWA to store water in the LVVGB for the future use of the SNWA. As part of this agreement, the LVVWD agreed to continue its recharge of the LVVGB, with the SNWA reimbursing all related costs on a monthly basis. The agreement also allows the 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, 2014, the SNWA has paid \$86.3 million net of sales for 346,187 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, 2014 and 2013 are \$35,259,740 and \$38,181,345, respectively. The decrease in fiscal year 2014 occurred from the normal amortization of these deferred outflows of resources.

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NOTE 12. ACCOUNTS PAYABLE

Accounts payable balances by category as of June 30, 2014 and 2013 are as follows:

<u>Accounts Payable</u>		
<u>Type</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Construction Contracts Retention	\$ 25,576,125	\$ 26,690,608
Construction Contracts and Administration	13,436,769	17,435,927
Administration Expenses	2,400,946	3,137,636
Total Accounts Payable	<u>\$ 41,413,840</u>	<u>\$ 47,264,171</u>

As discussed in Note 1, the SNWA advanced \$19 million to the LVVWD in fiscal year 2009 to be applied against future daily operating costs paid by the LVVWD on behalf of the SNWA. The advance payment is first applied against (and eliminates) amounts currently due from the SNWA to the LVVWD. As of June 30, 2014, \$8.6 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).

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 2013 and 2014, the economy has begun to stabilize and has helped to stabilize the SNWA's current operations as well. However, the long-term impact of these factors on the Southern Nevada economy and the SNWA's future operations cannot be predicted at this time, but may be substantial.

Construction Contracts

In connection with its two capital improvements plans, the SNWA makes commitments to pay contractors working on those projects. However, the SNWA only pays those contractors for the work they have completed. As of June 30, 2014, the SNWA had construction contract commitments totaling approximately \$109.7 million. This is the amount the SNWA will be obligated to pay if all contractors perform per their contracts. The 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*, the SNWA has recorded a contingent liability of \$1.7 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 the 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 17).

The fiscal year 2014 liability is \$3.3 million (66.2%) less than fiscal year 2013 and is based on information obtained from each of the SNWA's three participating purveyors. The recorded obligation for pending regional connection

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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 year 2014.

Operating Leases

Lease Obligations

In 2004, the Board approved a non-cancelable operating lease agreement between Parkway Center, LLC (Molasky) and the SNWA for office space at the Molasky Corporate Center located in downtown Las Vegas located at 100 City Parkway. The original lease allowed the SNWA to lease 129,375 square feet of office space beginning August 1, 2007, for a period of twenty years with renewal options. Two additional amendments approved in 2006 added an additional 52,994 square feet of office space for the same twenty year period. In December 21, 2007, the 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. The SNWA subleases 34,898 square feet within the area leased and/or owned by the SNWA to the 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, 2014, the SNWA paid \$4,812,912 on the lease and association fees. Leasehold improvements are charged to the SNWA's MCCP as incurred.

In April 2005, the 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 the SNWA. The agreement allows the SNWA to lease up to 2,001 AF of water annually from the 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 Moapa Valley Water District (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 the 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 the 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 the MVIC allowing the SNWA to lease winter irrigation water rights from the MVIC. The nineteen year lease agreement allows the 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. The SNWA would also pay \$25 per AF (escalated annually) to the 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 the 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. The SNWA staff believes that the lease will be used through fiscal year 2015.

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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	Ely Office Space	CPB	Mesquite Leases	MVIC Lease	BLM Lease	Total
2015	\$ 2,906,113	\$ 9,600	\$ 260,130	\$ 1,547,263	\$ 513,328	\$ 13,440	\$ 5,249,874
2016	3,010,505	9,600	260,130	1,474,078	528,728		5,283,041
2017	3,119,043		260,130	412,088	544,590		4,335,850
2018	3,174,506		260,130	59,258	560,928		4,054,822
2019	3,234,354		260,130	15,259	259,488		3,769,231
2020-2024	18,047,627		1,300,650	-	1,418,988		20,767,265
2025-2028	12,517,906		780,390		1,296,266		14,594,562
	<u>\$ 46,010,054</u>	<u>\$ 19,200</u>	<u>\$3,381,690</u>	<u>\$ 3,507,946</u>	<u>\$ 5,122,316</u>	<u>\$ 13,440</u>	<u>\$ 58,054,645</u>

Lease Receivables

In 2006, the SNWA entered into an interlocal sublease agreement with the LVVWD regarding office space that is either purchased or leased from Molasky. The twenty year agreement allows the LVVWD to lease 8,000 square feet of space from the floors owned by the SNWA and 26,240 square feet from the area leased from Molasky. The space owned by the SNWA that is being leased has an approximate carrying value of \$5,736,119, with \$1,715,047 in accumulated depreciation having been taken through June 30, 2014. In addition, the LVVWD pays a share of leasehold improvements. The sublease assumes a ten year useful life on leasehold improvements and the LVVWD pays a pro-rated share of the amortized value of such improvements. The sublease contains no escalation clauses. The LVVWD is also responsible for any utilities and services assessed to the SNWA for the space occupied by the LVVWD. For the remaining period of the lease, the SNWA anticipates to receive a minimum \$18,152,068 of aggregate sublease payments from the LVVWD.

In March 2009, the Board approved three agreements with NV Energy Company (NVE). One agreement allows NVE to lease 1,050 AF of the 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 \$259,490 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 the SNWA anticipates to receive a minimum \$6,615,255 of aggregate payments.

In 2012, the 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. In February 2014, the SNWA executed an amendment to renew the lease agreement for an additional two year period ending in May 2016. The space owned by the 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, 2014. The sublease contains no escalation clauses. For the remaining period of the lease, the SNWA anticipates to receive a minimum \$138,000 of aggregate sublease payments from Faiss.

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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
2015	\$ 1,613,517	\$ 99,967	\$ 72,000	\$ 1,785,484
2016	1,613,517	102,966	66,000	1,782,483
2017	1,613,517	106,055		1,719,572
2018	1,613,517	109,237		1,722,754
2019	1,613,517	112,514		1,726,031
	<u>\$ 8,067,585</u>	<u>\$ 530,740</u>	<u>\$ 138,000</u>	<u>\$ 8,736,324</u>

Forward Energy Contracts

Because Las Vegas is uphill from its major water supply, reliable electrical service is essential to the SNWA's ability to deliver water. To gain more control over energy reliability and costs, the 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 control of future prices and projected savings over the same commodity purchased from the investor owned utility.

The 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). The SSEA is a joint powers association of public utilities (see Note 19) 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 the SNWA. The 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 the SNWA's total supplies with its total load and other obligations. The 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, the 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 the 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 the 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.

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The primary risks associated with the SNWA's energy portfolio, as well as the SSEA's energy portfolio, are counterparty 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, 2014, the SNWA had net energy contract commitments totaling approximately \$156 million, which includes its projected allocation of the SSEA net energy contract commitments.

Generating Assets

The 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. The 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, the SNWA entered into an energy exchange agreement with NVE whereby NVE has the right to dispatch the plant using their professional judgment, and the SNWA receives 125 MW on peak and 25 MW off peak of firm delivered power.

In addition to Silverhawk, the SNWA also owns approximately 0.5 MW of solar generation and 2.1 MW of small hydro generation.

Litigation

The 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 the 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, the LVVWD began a Tax-Exempt Commercial Paper (TECP) program for the SNWA, authorizing up to \$400 million in TECP notes. Proceeds from the sale of the notes were used to fund capital expenditures of the SNWA including the purchase of water resources and a 25% interest in the Silverhawk power plant. The TECP program was most recently renegotiated on March 4, 2014 and is currently facilitated by a letter of credit between the LVVWD; J.P. Morgan Chase, National Association; and Wells Fargo Bank, National Association. The termination date for each agreement is April 14, 2017 and has options for renewal. The TECP notes are subject to market fluctuations as they are traded on the open market. The entire balance is currently issued and outstanding.

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

Outstanding Short Term Debt		
	June 30, 2014	June 30, 2013
Balance Beginning of Period	\$ 400,000,000	\$ 400,000,000
Additions	2,665,125,000	3,226,340,000
Retirements	<u>(2,665,125,000)</u>	<u>(3,226,340,000)</u>
Balance End of Period	<u>\$ 400,000,000</u>	<u>\$ 400,000,000</u>
End Of Period --		
Accrued Interest	\$ 58,859	\$ 100,395
Average Interest Rate	0.09%	0.17%
Number of Traunches	11	13
Smallest	\$ 7,500,000	\$ 300,000
Largest	\$ 134,000,000	\$ 100,000,000
Shortest Maturity, in days	29	26
Longest Maturity, in days	162	129

NOTE 15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Effective July 1, 2007, the 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, the LVVWD allocated a portion of the costs related to postemployment benefits other than pensions (OPEB) to the SNWA. As of June 30, 2014 and 2013, allocated OPEB costs of \$4.1 million and \$3.6 million, respectively.

NOTE 16. LONG-TERM DEBT

Pursuant to the Transfer Act discussed in Note 1, the SNWA assumed responsibility for all CRC debt associated with the SNWS as of January 1, 1996. In 1997, the SNWA received authorization to sell its bonds directly to the Nevada State Bond Bank. In 1999, the SNWA received authorization to sell its bonds through a newly authorized Clark County Bond Bank. The SNWA also has bonds payable, which were issued by the LVVWD on the SNWA's behalf. The SNWA plans to use the 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, the SNWA generally issues bonds sufficient to fund about two years of estimated capital project expenditures. The SNWA also can use capital contribution sources as needed to fund capital projects construction payments on a pay-as-you-go basis.

The 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 the SNWA's Operating and Capital Budget document.

Debt Covenants

Management believes that the SNWA has complied with all legal requirements, limitations, and restrictions imposed by debt covenants. The 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

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accounts, if any. Other requirements of long-term debt covenants include adequate insurance coverage for liability, property, and the LVVWD employees and an annual audit of the SNWA's basic financial statements by independent certified public accountants. Covenants are reviewed periodically by outside bond counsel to insure adherence.

Defeasance of Debt

The 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, 2014, eight bond issues with \$108,891,625 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 the 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

The SNWA did not issue any bonds between July 1, 2013 through June 30, 2014.

The following is a comprehensive summary of each of the outstanding long-term debt issues as of June 30, 2014.

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, the 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. The 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.

State of Nevada Loan No. SNWA-2

On June 29, 2001, the SNWA received a second loan from the Nevada revolving fund in the amount of \$10 million. The 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.

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SNWA 1998 Bonds

These general obligation bonds in the original amount of \$300,000,000 were sold by the 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 the 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 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 the 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 the 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 the 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 the CRC 1994 series bonds, and \$22,295,000 of the 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 the SNWA 2000 series bonds, and \$63,795,000 of the 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 the LVVWD 2011B issue were used to partially refund selected payments of the CRC 2006D bonds. The interest rate is 4.50%.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2014 and 2013

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 the SNWA 2001 series bonds, and \$97,455,000 of the 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 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 the 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 the 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 the 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%.

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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 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 the 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. The 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 the 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 the 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 the 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%.

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Notes to Basic Financial Statements
For the fiscal years ended June 30, 2014 and 2013

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 the SNWA 2001 and the SNWA 2002 bonds. The 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. The 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%.

The 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.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements
For the fiscal years ended June 30, 2014 and 2013

The following schedules present changes in long-term debt issues for the years ending June 30, 2014 and 2013.

Outstanding Debt Activity, June 30, 2014

Debt Issue	Beginning Balance July 1, 2013	Additions	Retirements	Ending Balance June 30, 2014
Long-Term Debt				
SNWA-1	\$ 5,318,736		\$ (680,745)	\$ 4,637,991
SNWA-2	5,094,549		(525,174)	4,569,375
Subtotal Notes Payable	10,413,285		(1,205,919)	9,207,366
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	4,600,000		(460,000)	4,140,000
LVVWD 2009A	90,000,000			90,000,000
LVVWD 2009B	10,000,000		(350,000)	9,650,000
SNWA 2009 Refund	48,220,000		(1,865,000)	46,355,000
SNWA 2009 Water Revenue	2,087,917		(126,541)	1,961,376
LVVWD 2009C	348,115,000			348,115,000
LVVWD 2009D	69,185,000		(2,920,000)	66,265,000
CRC 2010B	7,405,000		(945,000)	6,460,000
LVVWD 2011A	58,110,000			58,110,000
LVVWD 2011B	129,650,000			129,650,000
LVVWD 2011C	258,995,000		(9,000,000)	249,995,000
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	3,033,917,917		(15,666,541)	3,018,251,376
Total Long-Term Debt Before Unamortized Discounts and Premiums	<u>\$ 3,044,331,202</u>	<u>\$ -</u>	<u>\$ (16,872,460)</u>	3,027,458,742
Unamortized Discounts and Premiums				69,443,227
Net Debt				<u>\$ 3,096,901,969</u>

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Notes to Basic Financial Statements
For the fiscal years ended June 30, 2014 and 2013

Composition of Outstanding Debt, June 30, 2014

Debt Issue	Ending Balance	Current Portion	Long-Term Portion	Accrued Interest
Long-Term Debt				
SNWA-1	\$ 4,637,991	\$ 705,542	\$ 3,932,449	\$ 69,378
SNWA-2	4,569,375	543,501	4,025,874	65,511
Subtotal Notes Payable	<u>9,207,366</u>	<u>1,249,043</u>	<u>7,958,323</u>	<u>134,889</u>
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	4,140,000	460,000	3,680,000	2,106
LVVWD 2009A	90,000,000		90,000,000	523,770
LVVWD 2009B	9,650,000	365,000	9,285,000	37,649
SNWA 2009 Refund	46,355,000	1,960,000	44,395,000	189,980
SNWA 2009 Water Revenue	1,961,376	126,540	1,834,836	
LVVWD 2009C	348,115,000		348,115,000	2,021,196
LVVWD 2009D	66,265,000	3,070,000	63,195,000	271,126
CRC 2010B	6,460,000	980,000	5,480,000	19,565
LVVWD 2011A	58,110,000	100,000	58,010,000	221,783
LVVWD 2011B	129,650,000		129,650,000	432,547
LVVWD 2011C	249,995,000	9,385,000	240,610,000	1,007,595
SNWA 2012 Refunding	85,015,000		85,015,000	283,246
LVVWD 2012B	360,000,000	6,595,000	353,405,000	1,394,676
State 2013A	21,720,000		21,720,000	270,000
Subtotal Bonds Payable	<u>3,018,251,376</u>	<u>23,041,540</u>	<u>2,995,209,836</u>	<u>14,733,663</u>
Total Long-Term Debt Before Unamortized Discounts and Premiums	<u>\$ 3,027,458,742</u>	<u>\$ 24,290,583</u>	3,003,168,159	<u>\$ 14,868,552</u>
Unamortized Discounts and Premiums			<u>69,443,227</u>	
Net Long-Term Portion			<u>\$ 3,072,611,386</u>	

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Notes to Basic Financial Statements

For the fiscal years ended June 30, 2014 and 2013

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	11,577,568		(1,164,283)	10,413,285
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	2,687,514,457	381,720,000	(35,316,540)	3,033,917,917
Total Long-Term Debt				
Before Unamortized Discounts and Premiums	\$ 2,699,092,025	\$ 381,720,000	\$ (36,480,823)	3,044,331,202
Unamortized Discounts and Premiums				73,223,306
Net Debt				\$ 3,117,554,508

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For the fiscal years ended June 30, 2014 and 2013

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	10,413,285	1,205,919	9,207,366	152,601
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	3,033,917,917	15,666,540	3,018,251,377	14,755,131
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, 2014 and 2013

The 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
2015	\$ 24,290,583	\$ 152,086,105	\$ 176,376,687
2016	84,045,252	151,251,293	235,296,545
2017	110,456,517	146,802,056	257,258,575
2018	115,564,439	141,680,152	257,244,590
2019	121,009,074	136,228,374	257,237,449
2020-2024	686,936,905	588,616,740	1,275,553,644
2025-2029	715,907,702	410,469,688	1,126,377,390
2030-2034	508,308,270	270,023,083	778,331,354
2035-2039	596,300,000	124,680,136	720,980,136
2040-2042	64,640,000	6,182,500	70,822,500
	<u>3,027,458,742</u>	<u>\$ 2,128,020,127</u>	<u>\$ 5,155,478,869</u>
Unamortized Discounts and Premiums ²	69,443,227		
Total Debt Service	<u>\$ 3,096,901,969</u>		

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 17. CAPITAL CONTRIBUTIONS

Income streams restricted for use in the SNWA's various capital programs are reported on the statement of revenues, expenses and changes in net position as capital contributions. Capital contributions received for the fiscal years ended June 30, 2014 and 2013 are shown on the following page.

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Notes to Basic Financial Statements
For the fiscal years ended June 30, 2014 and 2013

Capital Contributions

Type	June 30, 2014	June 30, 2013
Regional Infrastructure Charge	\$ 80,244,881	\$ 79,114,278
Sales Tax	52,308,926	48,847,306
Regional Commodity Charge	43,425,961	40,991,496
Regional Connection Charge ¹	44,819,669	22,915,416
Contributed Capital - Cash and Equivalents	7,350,111	6,878,221
Regional Reliability Charge	4,783,683	4,649,642
Purveyor Member Debt Service Billings	2,511,106	2,522,698
Southern NV Public Lands	2,394,699	
Total Capital Contributions	\$ 237,839,036	\$ 205,919,057

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, 2014 and 2013 were as follows:

Reconciliation Of Capital Contributions

Type	June 30, 2014	June 30, 2013
Capital Contributions per Income Statement	\$ 237,839,036	\$ 205,919,057
Operating Expenses Paid By Contributed Capital	(9,744,788)	(11,886,752)
Net Prior and Current Year Sales Tax Receivables	(1,219,076)	(652,680)
Net Prior and Current Year Sales Tax Payable To Rurals	469,966	(2,143,516)
Net Prior and Current Year Connection, Commodity, and Reliability Receivables	(2,149,220)	(241,091)
Net Prior and Current Year Title XVI Fund Disbursement	(4,917,484)	
Capital Contributions Per Statement of Cash Flows	\$ 220,278,434	\$ 190,995,018

Boulder City and Nellis Air Force Base Interlocal Agreements

In addition to the revenues shown above, the 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 charges which help pay for many SNWA capital projects including the current Lake Mead Intake No. 3 project. Both the City of Boulder City and Nellis Air Force Base 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 the 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.

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Notes to Basic Financial Statements
For the fiscal years ended June 30, 2014 and 2013

NOTE 18. RISK MANAGEMENT

The 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. The SNWA manages these risks through a multifaceted approach, which includes transfer, elimination, avoidance, reduction, and/or assumption of risk of loss.

The 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. The 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. For the fiscal year ended June 30, 2014, the SNWA had no significant reductions in insurance coverage from the prior fiscal year.

In contracts, the SNWA obtains indemnification and hold harmless agreements. These agreements require that contractors name the 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. The SNWA provides builders risk insurance for all construction projects with a blanket limit of \$500 million per contract, with a \$50,000 deductible per occurrence, except earthquake and flood where the deductible is \$500,000 per occurrence. This coverage is included under the property insurance policy. The 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.

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, 2014, the 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, 2014, the SNWA has no significant retained risks and therefore has no accrued liability for retained risks.

NOTE 19. JOINT VENTURE

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

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

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2014 and 2013

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 20. SUBSEQUENT EVENTS

Management has evaluated subsequent events between July 1, 2014 and the date the basic financial statements were available to be issued and did not identify events that require disclosure.

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STATISTICAL SECTION
(UNAUDITED)



Statistical Section

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

Contents

Page

Financial Trends Information

3-3 to 3-6

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

Revenue Capacity Information

3-7 to 3-17

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

Debt Capacity Information

3-18 to 3-20

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

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

Demographic and Economic Information

3-21 to 3-27

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

Operating Information

3-28 to 3-30

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

Other Information

3-31 to 3-50

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

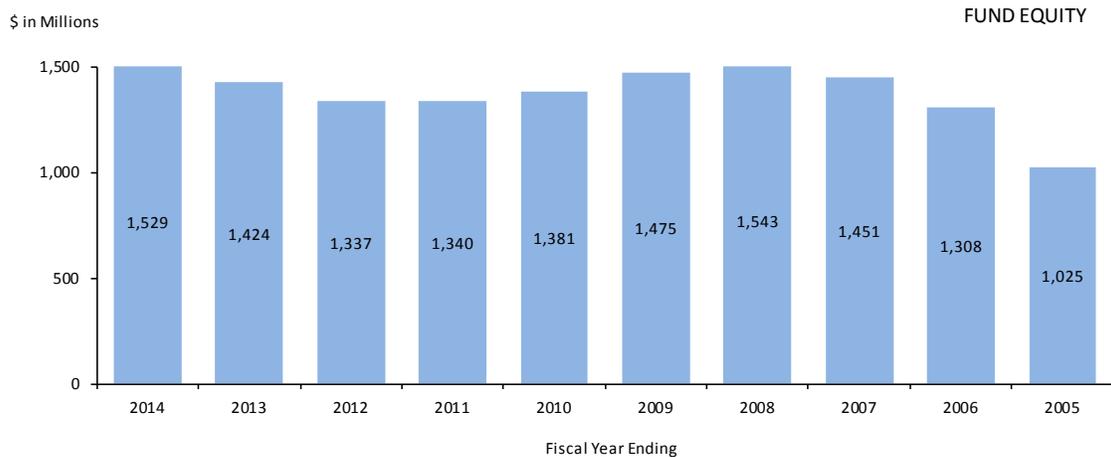
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SOUTHERN NEVADA WATER AUTHORITY
ENTERPRISE FUND (UNAUDITED)
NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Invested In Capital Assets, Net of Related Debt	\$ 1,053,490,593	\$ 1,002,302,170	\$ 995,159,156	\$ 962,800,479	\$ 984,695,999
Restricted	20,731,026	15,122,934	22,736,730	13,049,575	16,866,340
Unrestricted ^{1/}	455,164,318	406,887,453	319,037,966	364,557,983	379,702,030
Total Net Position	\$ 1,529,385,937	\$ 1,424,312,557	\$ 1,336,933,852	\$ 1,340,408,037	\$ 1,381,264,369

	Fiscal Year Ended June 30				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Invested In Capital Assets, Net of Related Debt	\$ 953,273,244	\$ 1,050,436,099	\$ 879,151,397	\$ 722,024,246	\$ 577,586,397
Restricted	15,178,151	102,040,416	50,122,513	23,331,858	52,240,725
Unrestricted ^{1/}	506,480,037	390,234,075	521,884,671	562,531,407	395,053,871
Total Net Position	\$ 1,474,931,432	\$ 1,542,710,590	\$ 1,451,158,581	\$ 1,307,887,511	\$ 1,024,880,993

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>2014^{1/}</u>	<u>2013^{1/}</u>	<u>2012^{1/}</u>
Operating Revenues			
Wholesale Delivery Charges	\$ 121,045,154	\$ 117,534,578	\$ 119,239,660
Groundwater Program Revenue	842,191	863,417	867,716
Purveyor Administration Costs Billings	425,765	383,443	318,886
Las Vegas Wash Revenues	397,408	397,708	397,407
Other Revenues	3,843,389	3,525,867	2,705,745
Total Operating Revenues	126,553,907	122,705,013	123,529,414
Operating Expenses			
Personnel and Related	(50,216,887)	(43,880,414)	(43,450,464)
Energy	(53,409,820)	(36,347,165)	(44,527,798)
Operation and Maintenance	(34,483,860)	(27,943,415)	(37,685,150)
Depreciation	(75,853,379)	(74,943,316)	(74,918,789)
Total Operating Expenses	(213,963,946)	(183,114,310)	(200,582,201)
Operating Loss	(87,410,039)	(60,409,297)	(77,052,788)
Non Operating Revenues and (Expenses)			
Investment Income	2,309,538	740,407	869,505
Credit Payment Income	10,097,944	10,316,798	10,867,008
Interest Expense	(55,351,153)	(64,010,853)	(67,567,023)
Amortization of Refunding Costs	(2,921,604)	(2,926,272)	(2,254,389)
Bond Issue and Commercial Paper Costs ^{2/}	(3,314,554)	(5,606,185)	(7,264,123)
Amortization of Bond Issue Costs, Premiums and Discounts ^{3/}	3,780,080	3,291,755	3,211,357
Gain/(Loss) on Sale of Assets	44,132	63,295	37,112
Total Non-Operating Revenues (Expenses)	(45,355,617)	(58,131,055)	(62,100,553)
Loss Before Capital Contributions	(132,765,656)	(118,540,352)	(139,153,341)
Capital Contributions	237,839,036	205,919,057	135,679,772
Change in Net Position	105,073,380	87,378,705	(3,473,569)
Net Position - Beginning of Year	1,424,312,557	1,336,933,852	1,340,407,420
Net Position - End of Year	\$ 1,529,385,937	\$ 1,424,312,557	\$ 1,336,933,852

continued on next page

1/ Amounts from 2007 to 2014 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

Page 2 of 3

	Fiscal Year Ended June 30		
	<u>2011^{1/}</u>	<u>2010^{1/}</u>	<u>2009^{1/}</u>
Operating Revenues			
Wholesale Delivery Charges	\$ 119,457,411	\$ 110,097,368	\$ 112,551,974
Groundwater Program Revenue	894,502	872,104	2,047,626
Purveyor Administration Costs Billings	362,263	342,820	379,306
Las Vegas Wash Revenues	397,408	698,274	690,000
Other Revenues	2,950,612	2,563,872	2,648,858
Total Operating Revenues	124,062,196	114,574,438	118,317,764
Operating Expenses			
Personnel and Related	(42,491,203)	(37,948,022)	(39,671,513)
Energy	(36,013,713)	(39,656,635)	(40,184,442)
Operation and Maintenance	(34,357,566)	(45,801,462)	(73,740,385)
Depreciation	(74,381,219)	(76,350,465)	(66,726,519)
Total Operating Expenses	(187,243,701)	(199,756,584)	(220,322,860)
Operating Loss	(63,181,505)	(85,182,146)	(102,005,096)
Non Operating Revenues and (Expenses)			
Investment Income	1,024,158	1,374,146	10,709,321
Credit Payment Income	10,896,699	6,442,781	-
Interest Expense	(79,960,800)	(75,369,159)	(69,887,704)
Amortization of Refunding Costs	(1,079,554)	(969,032)	(1,118,050)
Bond Issue and Commercial Paper Costs ^{2/}	(5,153,406)	(5,473,902)	(2,249,341)
Amortization of Bond Issue Costs, Premiums and Discounts ^{3/}	3,452,152	3,537,813	2,877,933
Gain/(Loss) on Sale of Assets	53,733	(5,051)	(753,735)
Total Non-Operating Revenues (Expenses)	(70,767,019)	(70,462,404)	(60,421,576)
Loss Before Capital Contributions	(133,948,524)	(155,644,550)	(162,426,672)
Capital Contributions	93,092,191	75,876,870	94,647,515
Change in Net Position	(40,856,333)	(79,767,680)	(67,779,157)
Net Position - Beginning of Year	1,381,263,753	1,474,931,433	1,542,710,590
Adjustment per GASB 65 ^{4/}		(13,900,000)	
Net Position - End of Year	\$ 1,340,407,420	\$ 1,381,263,753	\$ 1,474,931,433

continued on next page

1/ Amounts from 2007 to 2014 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

Page 3 of 3

	Fiscal Year Ended June 30			
	<u>2008^{1/}</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Operating Revenues				
Wholesale Delivery Charges	\$ 118,782,982	\$ 121,449,812	\$ 115,532,042	\$ 100,460,557
Groundwater Program Revenue	1,976,911	1,953,768	1,952,143	2,039,010
Purveyor Administration Costs Billings	367,710	359,042	351,527	361,958
Las Vegas Wash Revenues	1,196,028	842,700	1,074,374	1,071,600
Other Revenues	2,010,404	1,586,346	-	-
Total Operating Revenues	124,334,035	126,191,668	118,910,086	103,933,125
Operating Expenses				
Personnel and Related	(37,430,481)	(33,754,022)	(32,131,870)	(29,082,767)
Energy	(35,233,331)	(47,268,452)	(56,584,777)	(54,461,787)
Operation and Maintenance	(63,839,825)	(43,170,486)	(38,966,643)	(51,321,569)
Depreciation	(59,173,267)	(53,622,679)	(50,759,972)	(48,611,272)
Total Operating Expenses	(195,676,904)	(177,815,639)	(178,443,262)	(183,477,395)
Operating Loss	(71,342,869)	(51,623,971)	(59,533,176)	(79,544,270)
Non Operating Revenues and (Expenses)				
Investment Income	24,494,593	29,484,713	13,370,675	13,887,489
Credit Payment Income	-	-	-	-
Interest Expense	(67,939,173)	(71,907,034)	(66,724,948)	(64,898,632)
Amortization of Refunding Costs	(1,286,877)	(1,467,458)	(978,821)	(186,214)
Bond Issue and Commercial Paper Costs ^{2/}	(866,470)	(903,956)	(1,104,630)	(713,549)
Amortization of Bond Issue Costs, Premiums and Discounts ^{3/}	1,810,746	1,443,992	1,079,301	57,933
Gain/(Loss) on Sale of Assets	5,200	835,062	491,492	1,136
Total Non-Operating Revenues (Expenses)	(43,781,981)	(42,514,681)	(53,866,931)	(51,851,837)
Loss Before Capital Contributions	(115,124,850)	(94,138,652)	(113,400,106)	(131,396,106)
Capital Contributions	206,676,859	237,409,722	396,406,624	311,551,073
Change in Net Position	91,552,009	143,271,070	283,006,518	180,154,967
Net Position - Beginning of Year	1,451,158,581	1,307,887,511	1,024,880,993	844,726,027
Net Position - End of Year	\$ 1,542,710,590	\$ 1,451,158,581	\$ 1,307,887,511	\$ 1,024,880,993

1/ Amounts from 2007 to 2014 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

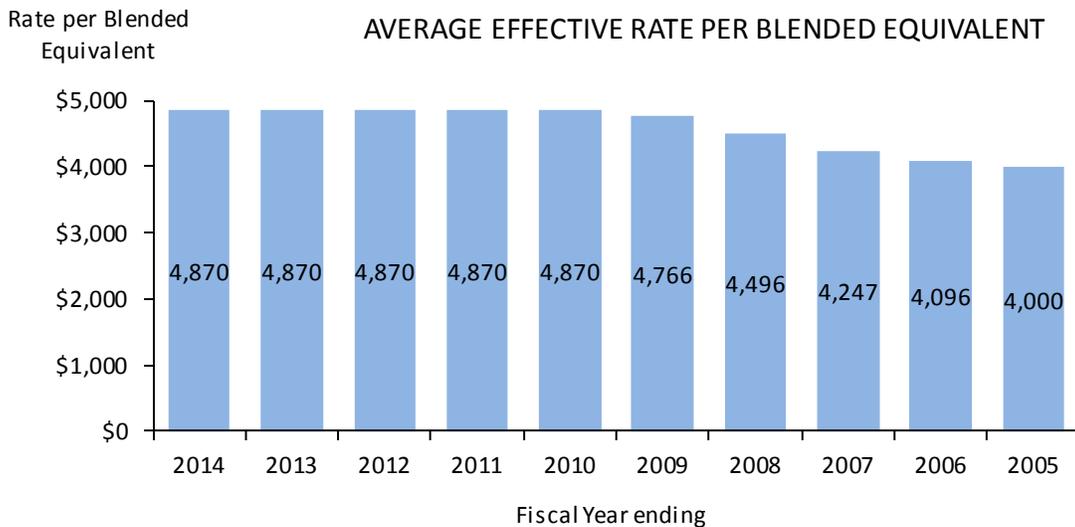
	Fiscal Year Ended June 30			
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Las Vegas Valley Water District	\$ 26,284,180	\$ 16,232,230	\$ 10,265,102	\$ 7,504,785
City of Henderson	13,185,770	1,581,160	3,195,930	3,529,771
City of North Las Vegas	2,012,861	1,228,630	330,050	(258,942)
Total Connection Charge Collections	\$ 41,482,811	\$ 19,042,020	\$ 13,791,082	\$ 10,775,614
Less net adjustment to Pending Regional Connection Charge Refund ^{2/}	3,336,858	3,873,396	101,774	(4,172,886)
Adjusted Connection Charge Collections	\$ 44,819,669	\$ 22,915,416	\$ 13,892,856	\$ 6,602,728
 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 17 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 17).

3/ Connection charges are mainly set based on a "blended equivalent" which represents the equivalency



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>2010</u>	<u>2009</u>	<u>2008</u>
Las Vegas Valley Water District	\$ (581,358)	\$ 17,943,571	\$ 40,672,561
City of Henderson	2,008,270	4,855,790	11,184,662
City of North Las Vegas	2,117,669	4,607,510	9,655,650
Total Connection Charge Collections	\$ 3,544,581	\$ 27,406,871	\$ 61,512,873
Less net adjustment to Pending Regional Connection Charge Refund ^{2/}	1,764,966	(617,716)	(4,194,769)
Adjusted Connection Charge Collections	\$ 5,309,547	\$ 26,789,155	\$ 57,318,104
 Average Effective Rate per Blended Equivalent ^{3/}	 \$ 4,870	 \$ 4,766	 \$ 4,496

	Fiscal Year Ended June 30		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
Las Vegas Valley Water District	\$ 83,294,414	\$ 133,408,930	\$ 102,009,777
City of Henderson	22,396,474	26,548,685	31,316,388
City of North Las Vegas	15,668,200	28,496,396	44,167,000
Regional Connection Charge Refund ^{2/}	(1,797,880)		
Total Connection Charge Collections	\$ 119,561,208	\$ 188,454,011	\$ 177,493,165
 Average Effective Rate per Blended Equivalent ^{3/}	 \$ 4,247	 \$ 4,096	 \$ 4,000

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 17 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 17).

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>2014</u>	<u>2013</u>	<u>2012</u>
Las Vegas Valley Water District	\$ 646,019	\$ 2,217,149	\$ 4,355,689
City of Henderson	211,864	929,782	1,257,430
City of North Las Vegas	848,374	1,896,184	3,303,392
Total Pending Regional Connection Charge Refund Contingency	\$ 1,706,257	\$ 5,043,115	\$ 8,916,511

	Fiscal Year Ended June 30			
	<u>2011</u>	<u>2010^{1/}</u>	<u>2009^{1/}</u>	<u>2008^{1/}</u>
Las Vegas Valley Water District	\$ 4,420,439	\$ 4,845,399	\$ 6,610,365	\$ 5,992,649
City of Henderson	3,589,676	-	-	-
City of North Las Vegas	1,008,170	-	-	-
Total Pending Regional Connection Charge Refund Contingency	\$ 9,018,285	\$ 4,845,399	\$ 6,610,365	\$ 5,992,649

Actual Refunds

	Fiscal Year Ended June 30		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Las Vegas Valley Water District	\$ 768,380	\$ 1,340,120	\$ 1,593,238
City of Henderson	-	1,206,150	32,910
City of North Las Vegas	21,810	658,870	162,410
Total Actual Refunds	\$ 790,190	\$ 3,205,140	\$ 1,788,558

Actual Refunds	Fiscal Year Ended June 30			
	<u>2011</u>	<u>2010^{1/}</u>	<u>2009^{1/}</u>	<u>2008^{1/}</u>
Las Vegas Valley Water District	\$ 2,139,595	\$ 5,838,268	\$ 2,750,260	\$ 2,860,149
City of Henderson	99,059	-	-	-
City of North Las Vegas	1,008,170	-	-	-
Total Actual Refunds	\$ 3,246,824	\$ 5,838,268	\$ 2,750,260	\$ 2,860,149

SOUTHERN NEVADA WATER AUTHORITY
ENTERPRISE FUND (UNAUDITED)
PENDING REGIONAL CONNECTION CHARGES
REFUND CONTINGENCY

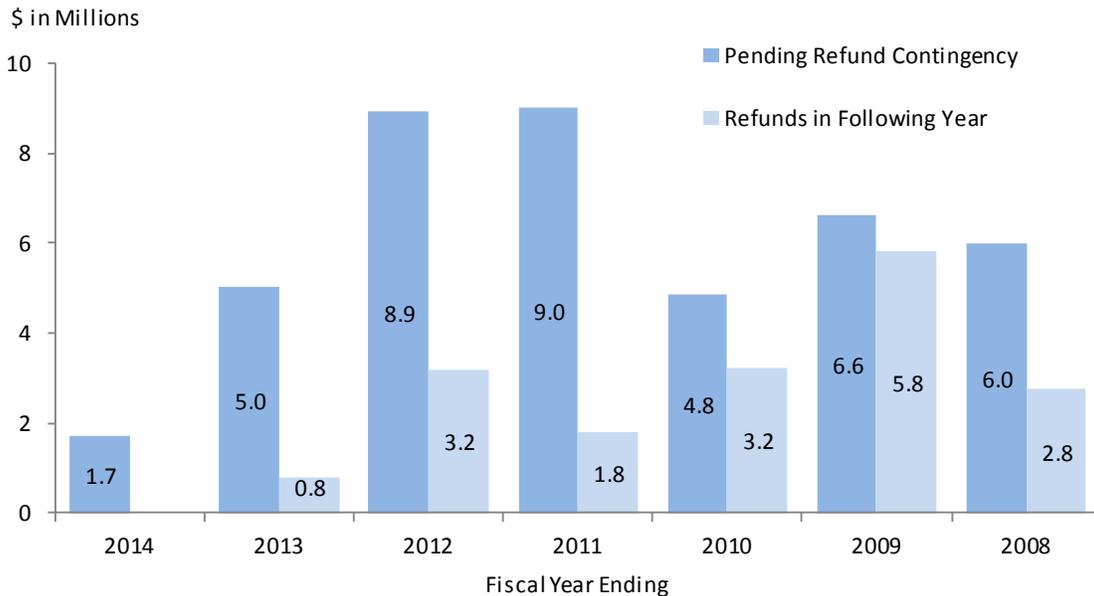
Contingency Coverage (comparing to following year) ^{2/}

	Fiscal Year Ended June 30		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Las Vegas Valley Water District	N/A	2.9	3.3
City of Henderson	N/A	N/A	1.0
City of North Las Vegas	N/A	86.9	5.0
Total Contingency Coverage	N/A	6.4	2.8

	Fiscal Year Ended June 30			
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Las Vegas Valley Water District	2.8	2.3	1.1	2.2
City of Henderson	109.1	1/	1/	1/
City of North Las Vegas	6.2	1/	1/	1/
Total Contingency Coverage	5.0	1.5	1.1	2.2

^{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,				
	2014	2013	2012	2011	2010
	July 13 to <u>Jun 14</u>	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>
Residential - 8 or fewer units per acre					
5/8" \$	4,870	\$ 4,870	\$ 4,870	\$ 4,870	\$ 4,870
3/4" \$	4,870	4,870	4,870	4,870	4,870
1" \$	9,610	9,610	9,610	9,610	9,610
1 1/2" \$	19,170	19,170	19,170	19,170	19,170
2" \$	30,680	30,680	30,680	30,680	30,680
Residential - more than 8 units per acre					
Per Dwelling Unit					
Individually Metered \$	3,400	\$ 3,400	\$ 3,400	\$ 3,400	\$ 3,400
Master Metered \$	3,400	3,400	3,400	3,400	3,400
Non Residential excluding hotels, motels, golf courses and laundries					
5/8" \$	4,870	\$ 4,870	\$ 4,870	\$ 4,870	\$ 4,870
3/4" \$	4,870	4,870	4,870	4,870	4,870
1" \$	9,610	9,610	9,610	9,610	9,610
1 1/2" \$	19,170	19,170	19,170	19,170	19,170
2" \$	64,260	64,260	64,260	64,260	64,260
3" \$	237,900	237,900	237,900	237,900	237,900
4" \$	353,100	353,100	353,100	353,100	353,100
6" and larger, per thousand gallons					
estimated annual use \$	29.20	\$ 29.20	\$ 29.20	\$ 29.20	\$ 29.20
Hotels / Motels					
Per Room \$	2,780	\$ 2,780	\$ 2,780	\$ 2,780	\$ 2,780
Golf Courses					
Per Irrigated Acre \$	45,640	\$ 45,640	\$ 45,640	\$ 45,640	\$ 45,640
RV Parks					
Per Space \$	1,380	\$ 1,380	\$ 1,380	\$ 1,380	\$ 1,380
Industrial Laundries					
5/8" \$	76,800	\$ 76,800	\$ 76,800	\$ 76,800	\$ 76,800
3/4" \$	76,800	76,800	76,800	76,800	76,800
1" \$	151,460	151,460	151,460	151,460	151,460
1 1/2" \$	302,950	302,950	302,950	302,950	302,950
2" \$	484,700	484,700	484,700	484,700	484,700
3" \$	969,400	969,400	969,400	969,400	969,400
4" \$	1,514,690	1,514,690	1,514,690	1,514,690	1,514,690
6" \$	3,029,360	3,029,360	3,029,360	3,029,360	3,029,360
8" \$	4,846,980	4,846,980	4,846,980	4,846,980	4,846,980
10" \$	6,967,540	6,967,540	6,967,540	6,967,540	6,967,540

Continued on next page

SOUTHERN NEVADA WATER AUTHORITY
ENTERPRISE FUND (UNAUDITED)
REGIONAL CONNECTION CHARGES
REVENUE RATES
LAST TEN FISCAL YEARS

Page 2 of 3

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

Continued on next page

SOUTHERN NEVADA WATER AUTHORITY
ENTERPRISE FUND (UNAUDITED)
REGIONAL CONNECTION CHARGES
REVENUE RATES
LAST TEN FISCAL YEARS

Page 3 of 3

	Fiscal year ended June 30,			Fiscal year ended June 30,			
	2007			2006			2005
	May 07 to <u>Jun 07</u>	Nov 06 to <u>Apr 07</u>	Jul 06 to <u>Oct 06</u>	May 06 to <u>Jun 06</u>	Nov 05 to <u>Apr 06</u>	Jul 05 to <u>Oct 05</u>	Jul 04 to <u>Jun 05</u>
Residential - 8 or fewer units per acre							
5/8"	\$ 4,410	\$ 4,270	\$ 4,130	\$ 4,130	\$ 4,000	\$ 3,560	\$ 3,560
3/4"	4,410	4,270	4,130	4,130	4,000	3,560	3,560
1"	8,710	8,430	8,160	8,160	7,900	7,030	7,030
1 1/2"	17,400	16,840	16,300	16,300	15,780	14,040	14,040
2"	27,830	26,940	26,080	26,080	25,250	22,470	22,470
Residential - more than 8 units per acre Per Dwelling Unit							
Individually Metered	\$ 2,860	\$ 2,700	\$ 2,550	\$ 2,550	\$ 2,400	\$ 2,136	\$ 2,136
Master Metered	2,860	2,700	2,550	2,550	2,400	2,136	2,136
Non Residential excluding hotels, motels, golf courses and laundries							
5/8"	\$ 4,410	\$ 4,270	\$ 4,130	\$ 4,130	\$ 4,000	\$ 3,560	\$ 3,560
3/4"	4,410	4,270	4,130	4,130	4,000	3,560	3,560
1"	8,710	8,430	8,160	8,160	7,900	7,030	7,030
1 1/2"	17,400	16,840	16,300	16,300	15,780	14,040	14,040
2"	52,460	49,030	45,820	45,820	42,820	38,110	38,110
3"	179,570	163,500	148,780	148,780	135,550	120,640	120,640
4"	278,670	257,530	237,990	237,990	219,930	195,740	195,740
6" and larger, per thousand gallons estimated annual use	\$ 21.80	\$ 19.80	\$ 18.00	\$ 18.00	\$ 16.30	\$ 14.48	\$ 14.48
Hotels / Motels							
Per Room	\$ 2,520	\$ 2,440	\$ 2,360	\$ 2,360	\$ 2,280	\$ 2,029	\$ 2,029
Golf Courses							
Per Irrigated Acre	\$ 40,530	\$ 38,960	\$ 37,450	\$ 37,450	\$ 36,000	\$ 32,040	\$ 32,040
RV Parks							
Per Space	\$ 1,260	\$ 1,220	\$ 1,180	\$ 1,180	\$ 1,140	\$ 1,015	\$ 1,015
Industrial Laundries							
5/8"	\$ 69,670	\$ 67,440	\$ 65,290	\$ 65,290	\$ 63,200	\$ 56,250	\$ 56,250
3/4"	69,670	67,440	65,290	65,290	63,200	56,250	56,250
1"	137,410	133,020	128,770	128,770	124,660	110,950	110,950
1 1/2"	274,830	266,050	257,550	257,550	249,320	221,890	221,890
2"	439,720	425,670	412,070	412,070	398,910	355,030	355,030
3"	879,430	851,340	824,140	824,140	797,810	710,050	710,050
4"	1,374,110	1,330,210	1,287,720	1,287,720	1,246,580	1,109,450	1,109,450
6"	2,748,210	2,660,420	2,575,430	2,575,430	2,493,160	2,218,900	2,218,900
8"	4,397,140	4,256,670	4,120,690	4,120,690	3,989,050	3,550,240	3,550,240
10"	6,320,900	6,118,970	5,923,490	5,923,490	5,734,260	5,103,470	5,103,470

SOUTHERN NEVADA WATER AUTHORITY
ENTERPRISE FUND (UNAUDITED)
WHOLESALE DELIVERY CHARGE
REVENUE BASE / PRINCIPAL REVENUE PAYERS
LAST TEN FISCAL YEARS

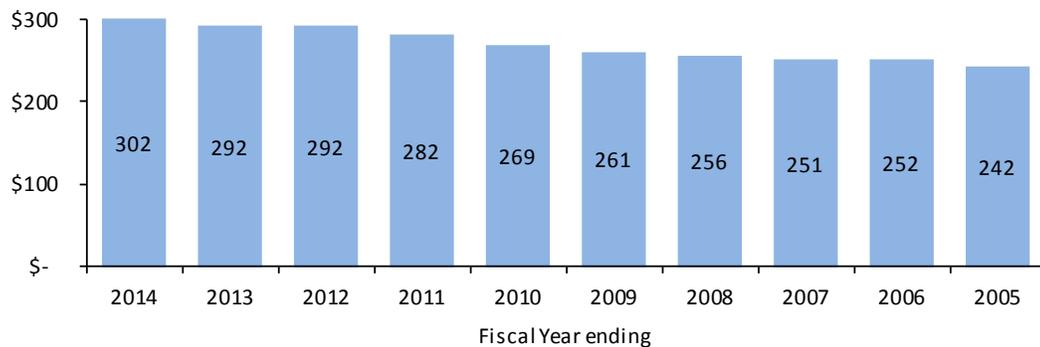
	Fiscal Year Ended June 30				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Las Vegas Valley Water District	\$ 84,966,339	\$ 83,269,369	\$ 83,406,085	\$ 83,958,256	\$ 76,424,085
City of Henderson	18,752,543	18,203,343	18,590,766	18,186,274	17,034,887
City of North Las Vegas	14,077,113	13,013,158	14,099,100	14,222,462	13,581,423
City of Boulder City	2,992,594	2,795,461	2,876,584	2,779,302	2,706,123
Nellis Air Force Base	256,564	253,247	267,125	311,117	350,850
Total Wholesale Delivery Charge Collections	\$ 121,045,154	\$ 117,534,578	\$ 119,239,660	\$ 119,457,411	\$ 110,097,368
Average Effective Rate per Acre-Foot	\$ 302.20	\$ 292.27	\$ 292.35	\$ 282.37	\$ 269.32

	Fiscal Year Ended June 30				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Las Vegas Valley Water District	\$ 79,085,752	\$ 84,407,754	\$ 86,738,398	\$ 82,658,798	\$ 72,173,474
City of Henderson	16,928,183	17,192,550	17,574,018	16,745,595	15,143,461
City of North Las Vegas	13,442,152	13,874,638	13,969,835	13,147,489	10,472,255
City of Boulder City	2,675,997	2,727,909	2,621,610	2,540,316	2,282,861
Nellis Air Force Base	419,890	580,131	545,951	439,844	388,506
Total Wholesale Delivery Charge Collections	\$ 112,551,974	\$ 118,782,982	\$ 121,449,812	\$ 115,532,042	\$ 100,460,557
Average Effective Rate per Acre-Foot	\$ 261.33	\$ 256.37	\$ 251.30	\$ 251.73	\$ 242.33

May be off slightly due to rounding

Average Rate per Acre-Foot

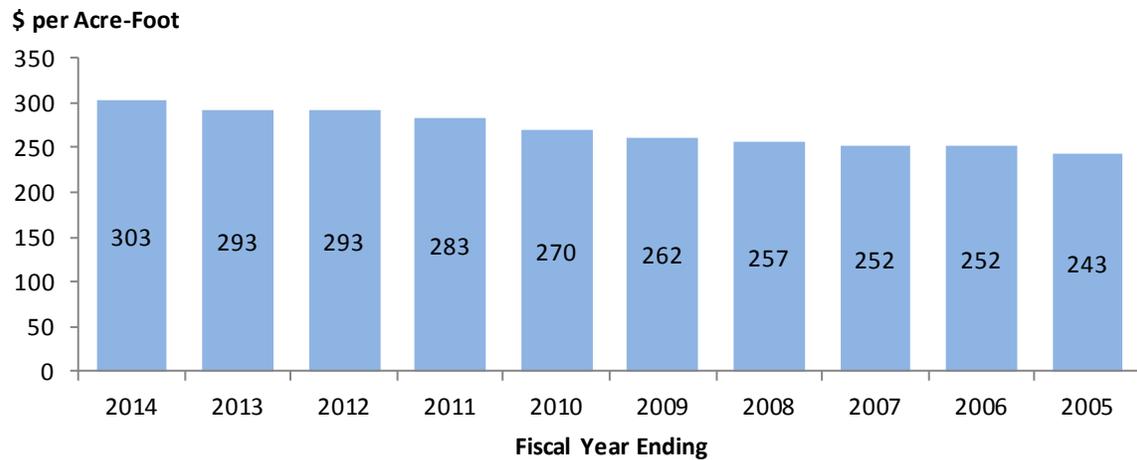
AVERAGE EFFECTIVE RATE PER ACRE FOOT



SOUTHERN NEVADA WATER AUTHORITY
ENTERPRISE FUND (UNAUDITED)
WHOLESALE DELIVERY CHARGE FOR POTABLE WATER
REVENUE RATES
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Charge per Acre-Foot*	\$ 303.00	\$ 293.00	\$ 293.00	\$ 283.00	\$ 270.00
	Fiscal Year Ended June 30				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Charge per Acre-Foot*	\$ 262.00	\$ 257.00	\$ 252.00	\$ 252.00	\$ 243.00

* The 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.



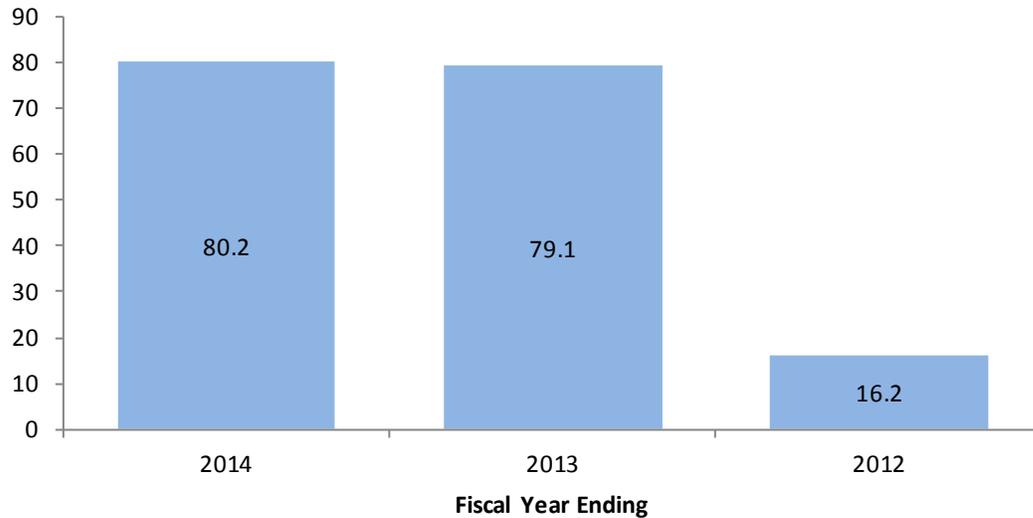
SOUTHERN NEVADA WATER AUTHORITY
ENTERPRISE FUND (UNAUDITED)
REGIONAL INFRASTRUCTURE CHARGES ^{1/}
REVENUE BASE / PRINCIPAL REVENUE PAYERS
LAST TEN FISCAL YEARS

<u>Participants</u>	<u>Fiscal Year Ended June 30</u>		
	<u>2014</u>	<u>2013</u>	<u>2012^{2/}</u>
Las Vegas Valley Water District	\$ 57,375,876	\$ 56,810,256	\$ 12,659,145
City of Henderson	10,450,969	9,916,987	1,248,412
City of North Las Vegas	11,656,022	11,643,459	2,285,573
City of Boulder City ^{2/}	576,858	546,637	
Big Bend Water District ^{2/}	185,156	196,939	
	<hr/>	<hr/>	<hr/>
Total Infrastructure Charge Collections	<u>\$ 80,244,881</u>	<u>\$ 79,114,278</u>	<u>\$ 16,193,130</u>

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

\$ in Millions



SOUTHERN NEVADA WATER AUTHORITY
ENTERPRISE FUND (UNAUDITED)
REGIONAL INFRASTRUCTURE SURCHARGES
REVENUE RATES BY SERVICE SIZE
INCEPTION TO JUNE 30, 2014

	Monthly Charge			
	Fiscal year ended June 30,			
	2014		2013	
	Jan 14 to <u>June 14</u>	Jul 13 to <u>Dec 13</u>	Sept 12 to <u>June 13</u>	Jul 12 to <u>Aug 12</u>
Residential - 5/8" & 3/4" meter sizes	\$ 5.64	\$ 5.00	\$ 5.00	\$ 5.00
Residential - 1" meter size	20.42	19.21	19.21	19.21
Residential - 1.5" meter size	40.83	38.41	38.41	38.41
Residential - 2" meter size	65.34	61.46	61.46	61.46
Residential - 3" meter size	130.66	122.90	122.90	122.90
Residential - 4" meter size	204.15	192.03	192.03	192.03
Residential - 6" meter size	408.29	384.05	384.05	384.05
Residential - 8" meter size and larger	653.26	614.47	614.47	614.47
Non-Residential - 5/8" & 3/4" meter sizes	19.69	19.05	19.05	19.05
Non-Residential - 1" meter size	37.29	36.08	36.08	36.08
Non-Residential - 1.5" meter size	74.58	72.16	72.16	72.16
Non-Residential - 2" meter size	119.33	115.45	115.45	115.45
Non-Residential - 3" meter size	238.66	230.90	230.90	230.90
Non-Residential - 4" meter size	372.91	360.79	360.79	360.79
Non-Residential - 6" meter size	745.81	721.57	721.57	721.57
Non-Residential - 8" meter size	1,193.29	1,154.50	1,154.50	1,154.50
Non-Residential - 10" and larger meter sizes	1,715.35	1,659.59	1,659.59	1,659.59
Non-Residential - 5/8" & 3/4" meter sizes Fire Meter	3.34	3.34	3.19	6.67
Non-Residential - 1" meter size Fire Meter	6.32	6.32	6.05	12.63
Non-Residential - 1.5" meter size Fire Meter	12.63	12.63	12.09	25.26
Non-Residential - 2" meter size Fire Meter	20.21	20.21	19.34	40.41
Non-Residential - 3" meter size Fire Meter	40.41	40.41	38.67	80.82
Non-Residential - 4" meter size Fire Meter	63.14	63.14	60.42	126.28
Non-Residential - 6" meter size Fire Meter	126.28	126.28	120.83	252.55
Non-Residential - 8" meter size Fire Meter	202.04	202.04	193.33	404.08
Non-Residential - 10" and larger meter sizes Fire Meter	290.43	290.43	277.91	580.86

SOUTHERN NEVADA WATER AUTHORITY
ENTERPRISE FUND (UNAUDITED)
RATIOS OF OUTSTANDING DEBT ⁽¹⁾
LAST TEN FISCAL YEARS

In Million Dollars

Fiscal Year <u>Ended June 30</u>	General Obligation <u>Bonds⁽²⁾</u>	Notes Payable/ Repayment <u>Contracts</u>	Commercial <u>Paper</u>	Total <u>Debt⁽³⁾</u>
2014	\$3,087.7	\$9.2	\$400.0	\$3,496.9
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

Fiscal Year <u>Ended June 30</u>	Debt as a Percent of <u>Personal Income⁽⁴⁾</u>	Debt per Capita <u>In Dollars⁽⁵⁾</u>
2014	4.6%	\$1,719
2013	4.8%	1,758
2012	4.5%	1,609
2011	4.7%	1,613
2010	4.7%	1,635
2009	3.6%	1,415
2008	3.2%	1,250
2007	3.5%	1,319
2006	3.2%	1,170
2005	3.5%	1,175

(1) Details of the Southern Nevada Water Authority's (SNWA) outstanding debt can be found in the Notes 14 and 16 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 Ended June 30	General Obligation Secured with SNWA Revenues ⁽²⁾	Bonds with Sales Tax Pledge ^{(2) (3)}	Total General Bonded Debt	Restricted for Repayment of Principal ⁽⁴⁾	Net General Bonded Debt
2014	\$3,492.8	\$4.1	\$3,496.9	-\$24.3	\$3,472.6
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

Fiscal Year Ended June 30	Total Debt as Percent of Annual Applied Revenues ⁽⁵⁾⁽⁶⁾	Annual Debt Service as Percent of Annual Applied Revenues ^{(5) (7)}
2014	1001.8%	42.2%
2013	1114.7%	46.7%
2012	1403.1%	65.3%
2011	1506.6%	75.0%
2010	1746.2%	90.6%
2009	1296.5%	83.0%
2008	921.0%	62.0%
2007	740.6%	45.9%
2006	531.3%	37.8%
2005	566.8%	37.1%

(1) Details of the Southern Nevada Water Authority's (SNWA) outstanding debt can be found in the Notes 14 and 16 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.

PLEDGED REVENUE COVERAGE

Fiscal Year <u>Ended June 30</u>	Pledged Revenues <u>Sales Tax ⁽¹⁾</u>	Bonds with Sales Tax <u>Pledge ⁽²⁾</u>	Coverage <u>Ratio</u>
2014	\$52,308,926	\$4,140,000	12.6
2013	48,847,306	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

(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,		
	2014	2013	2012
Sources of Funds			
Wholesale Delivery Charge	\$ 121,045,154	\$ 117,534,578	\$ 119,239,660
Regional Connection Charge ^{1/}	44,819,669	22,915,416	13,892,856
Regional Water Charges	48,209,644	45,641,138	45,263,892
Regional Infrastructure Surcharge	80,244,881	79,114,278	16,193,130
Sales Tax	52,308,926	48,847,306	46,222,883
Groundwater Program Fees	842,191	863,417	867,716
Las Vegas Wash Program Fees	397,408	397,708	397,407
Interest Income & Capitalized Int	2,309,538	1,923,641	1,565,109
Other Revenues ^{2/}	4,269,154	3,909,310	3,024,631
Total Sources of Funds	354,446,565	321,146,792	246,667,284
Uses of Funds			
Energy	53,409,820	36,347,165	44,527,798
Personnel & Related	50,216,887	43,880,414	43,450,464
Operating Capital & Expenses	34,483,860	27,943,415	37,685,150
PAYG Capital Expenses ^{3/}			
Total Uses of Funds	138,110,567	108,170,994	125,663,412
Add Beginning Unrestricted Funds ^{4/}	322,928,812	308,634,591	305,553,937
Net Available for Debt Service	539,264,810	521,610,389	426,557,809
Total Existing Obligations			
Annual Debt Service ^{5/}	146,232,169	146,773,353	146,624,017
Debt Service Coverage Ratio	3.69	3.55	2.91

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
LAST TEN FISCAL YEARS

Page 2 of 3

	Fiscal Year Ended June 30,		
	2011	2010	2009
Sources of Funds			
Wholesale Delivery Charge	\$ 119,457,411	\$ 110,097,368	\$ 112,551,974
Regional Connection Charge ^{1/}	6,602,728	5,309,547	26,789,155
Regional Water Charges	37,335,440	22,538,155	18,791,878
Regional Infrastructure Surcharge			
Sales Tax	43,577,390	41,833,183	46,333,942
Groundwater Program Fees	894,502	872,104	2,047,626
Las Vegas Wash Program Fees	397,408	698,274	690,000
Interest Income & Capitalized Int	1,375,082	1,789,048	13,607,423
Other Revenues ^{2/}	3,590,639	4,652,559	3,104,737
Total Sources of Funds	213,230,600	187,790,238	223,916,735
Uses of Funds			
Energy	36,013,713	39,656,635	40,184,442
Personnel & Related	42,491,203	37,948,022	39,671,513
Operating Capital & Expenses	34,357,566	34,357,566	73,740,385
PAYG Capital Expenses ^{3/}			
Total Uses of Funds	112,862,482	111,962,223	153,596,340
Add Beginning Unrestricted Funds ^{4/}	366,951,904	442,315,079	423,601,762
Net Available for Debt Service	467,320,022	518,143,094	493,922,157
Total Existing Obligations			
Annual Debt Service ^{5/}	155,206,052	162,911,866	169,717,981
Debt Service Coverage Ratio	3.01	3.18	2.91

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
LAST TEN FISCAL YEARS

Page 3 of 3

	Fiscal Year Ended June 30,			
	2008	2007	2006	2005
Sources of Funds				
Wholesale Delivery Charge	\$ 118,782,982	\$ 121,449,812	\$ 115,532,042	\$ 100,460,557
Regional Connection Charge ^{1/}	57,318,104	119,561,208	188,454,011	177,493,765
Regional Water Charges	18,777,117	18,829,058	14,213,843	10,101,548
Regional Infrastructure Surcharge				
Sales Tax	53,315,770	55,060,027	54,158,795	49,945,593
Groundwater Program Fees	1,976,911	1,953,768	1,952,143	2,039,010
Las Vegas Wash Program Fees	1,196,028	842,700	1,074,374	1,071,600
Interest Income & Capitalized Int	30,676,718	41,088,297	13,474,740	19,548,835
Other Revenues ^{2/}	5,843,187	41,594,501	137,335,841	69,010,167
Total Sources of Funds	287,886,817	400,379,371	526,195,789	429,671,075
Uses of Funds				
Energy	35,233,331	47,268,452	56,584,777	54,461,787
Personnel & Related	37,430,481	33,754,022	32,131,870	29,082,767
Operating Capital & Expenses	63,839,825	43,170,486	38,966,643	51,321,569
PAYG Capital Expenses ^{3/}		144,242,303	209,332,517	74,245,090
Total Uses of Funds	136,503,637	268,435,263	337,015,807	209,111,213
Add Beginning Unrestricted Funds ^{4/}	505,592,327	491,405,174	430,008,393	328,473,490
Net Available for Debt Service	656,975,507	623,349,282	619,188,375	549,033,352
Total Existing Obligations				
Annual Debt Service ^{5/}	153,769,711	144,484,915	140,855,868	125,502,473
Debt Service Coverage Ratio	4.27	4.31	4.40	4.37

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.

ENTERPRISE FUND (UNAUDITED)
 DEMOGRAPHIC AND ECONOMIC INFORMATION
 DEMOGRAPHIC STATISTICS (1)
 CLARK COUNTY, NEVADA
 LAST TEN CALENDAR YEARS (2)

Year	Population (3)	Per Capita Income (4)	Median Household Income (5)	School Enrollment (6)	Total Labor Force Thousands (7)	U.S. Unemployment Rate (8)
2013	2,031,723	\$ 36,676	n/a	311,218	990.2	7.4%
2012	1,988,195	36,676	\$ 49,546	308,377	995.7	8.1%
2011	1,967,722	35,896	48,215	309,899	999.4	8.9%
2010	1,951,269	35,531	51,437	309,442	998.7	9.6%
2009	1,952,040	35,830	53,505	311,221	983.0	9.3%
2008	1,967,716	38,742	56,696	308,745	970.7	5.8%
2007	1,954,319	39,464	55,996	302,547	933.8	4.6%
2006	1,874,837	38,939	53,536	291,329	911.5	4.6%
2005	1,796,380	37,601	49,571	280,795	872.4	5.1%
2004	1,715,337	34,449	44,281	268,357	831.0	5.5%

- (1) All figures are subject to revision. The abbreviation "n/a" means not available.
- (2) Population as of July 1; school enrollment in fall.
- (3) Source: 2010 figure from the U.S. Bureau of the Census; 2004-2009 and 2011-2013 figures from the Nevada State Demographer.
- (4) Source: U.S. Bureau of Economic Analysis as reported for the Las Vegas-Paradise MSA (which is comprised of Clark County). Year 2013 per capita income is not available; therefore, per capita income for 2012 is used as an estimate.
- (5) Source: U.S. Census Bureau, American Community Survey.
- (6) Source: Clark County School District.
- (7) Beginning January 2005, the Department of Employment, Training & Rehabilitation began publishing labor force and industrial employment data using a new Bureau of Labor Statistics methodology. This new methodology introduces newly-defined metropolitan statistical areas. The Las Vegas MSA has been reconfigured to include Clark County only and is defined as the "Las Vegas-Paradise MSA. Historical data has been revised to reflect the reconstructed Las Vegas-Paradise MSA. Source: State of Nevada - Department of Employment, Training & Rehabilitation.
- (8) Source: Bureau of Labor Statistics (annual averages).

SOUTHERN NEVADA WATER AUTHORITY
 ENTERPRISE FUND (UNAUDITED)
 DEMOGRAPHIC AND ECONOMIC INFORMATION
 TEN LARGEST PROPERTY-OWNING TAXPAYERS
 CLARK COUNTY, NEVADA (1)
 FISCAL YEAR 2013-2014

<u>Taxpayer (2)</u>	<u>Taxable Assessed</u>	<u>Taxable Appraised</u>
1. MGM Resorts International	\$ 2,749,674,055	\$ 7,856,211,586
2. NV Energy	1,740,335,784	4,972,387,954
3. Caesar's Entertainment Corporation	1,607,183,794	4,591,953,697
4. Las Vegas Sands Corporation	971,098,550	2,774,567,286
5. Wynn Resorts Limited	760,124,769	2,171,785,054
6. Station Casinos Incorporated	516,085,960	1,474,531,314
7. Boyd Gaming Corporation	289,370,372	826,772,491
8. Nevada Property 1 LLC	262,486,733	749,962,094
9. Eldorado Energy LLC	198,858,459	568,167,026
10. Howard Hughes Corporation	183,142,575	523,264,500

(1) Includes the five incorporated cities.

(2) Some taxpayers are hotel/casinos that may have multiple properties.

SOURCE: Clark County Assessor's Report Dated October 11, 2013

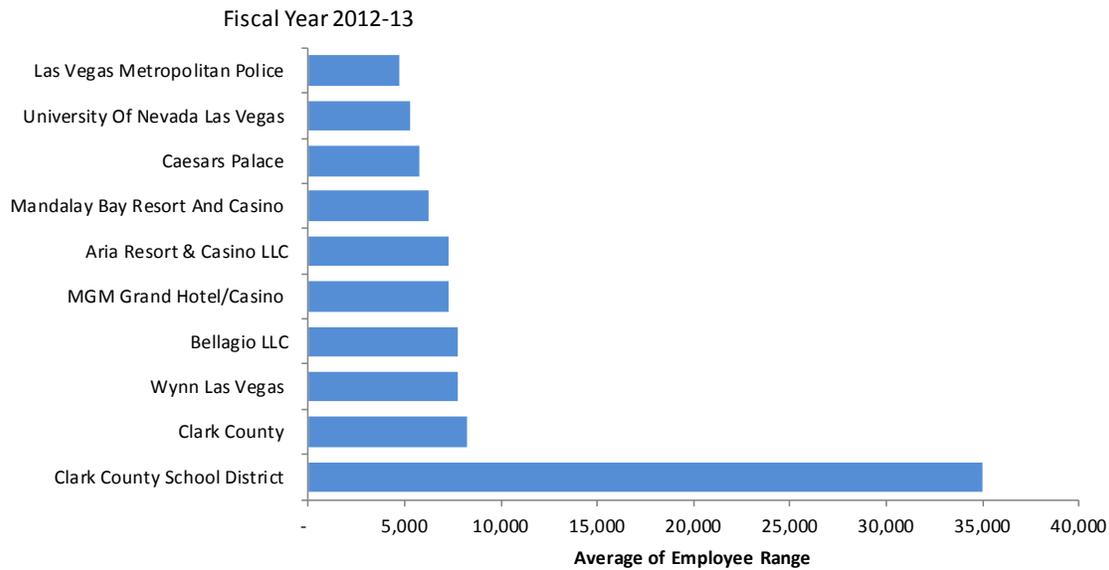
SOUTHERN NEVADA WATER AUTHORITY
ENTERPRISE FUND (UNAUDITED)
CLARK COUNTY TOP TEN EMPLOYERS ⁽¹⁾

Employer	Fiscal Year 2012-13			Fiscal Year 2003-04		
	Employee Range ⁽²⁾	Rank	Percentage of Total Labor Force ⁽³⁾	Employee Range ⁽²⁾	Rank	Percentage of Total Labor Force ⁽³⁾
Clark County School District	30,000 to 39,999	1	3.5%	30,000 to 39,999	1	4.2%
Clark County	8,000 to 8,499	2	0.8%	9,000 to 9,499	2	1.1%
Wynn Las Vegas	7,500 to 7,999	3	0.8%			
Bellagio LLC	7,500 to 7,999	4	0.8%	9,000 to 9,499	3	1.1%
MGM Grand Hotel/Casino	7,000 to 7,499	5	0.7%	7,500 to 7,999	4	0.9%
Aria Resort & Casino LLC	7,000 to 7,499	6	0.7%			
Mandalay Bay Resort And Casino	6,000 to 6,499	7	0.6%	7,000 to 7,499	5	0.9%
Caesars Palace	5,500 to 5,999	8	0.6%	4,500 to 4,999	9	0.6%
University Of Nevada Las Vegas	5,000 to 5,499	9	0.5%	5,000 to 5,499	6	0.6%
Las Vegas Metropolitan Police	4,500 to 4,999	10	0.5%	4,500 to 4,999	10	0.6%
The Mirage Casino-Hotel				5,000 to 5,499	7	0.6%
State Of Nevada				5,000 to 5,499	8	0.6%
Total Labor Force	991,597			826,022		

⁽¹⁾ Source -- Nevada Workforce Informer, Nevada Employer Directory, GASB 44 report.

⁽²⁾ Nevada law prohibits the disclosure of exact employee counts.

⁽³⁾ Average employee range divided by total labor force.



SOUTHERN NEVADA WATER AUTHORITY
ENTERPRISE FUND (UNAUDITED)
BUILDING PERMITS ISSUED IN CLARK COUNTY, NEVADA
LAST TEN CALENDAR YEARS

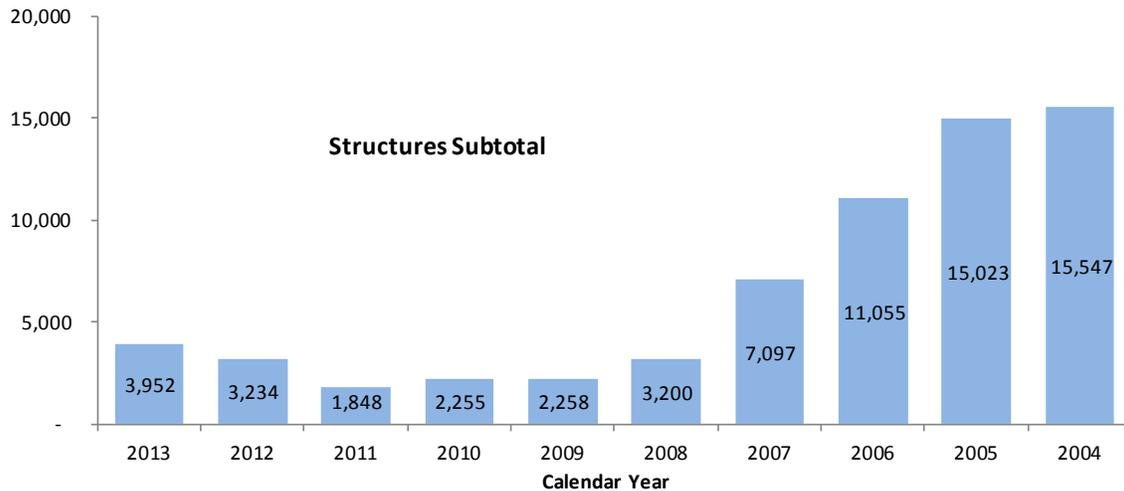
<u>Classification</u>	<u>Calendar Year</u>									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Single Family Residential	3,515	2,966	1,599	2,023	1,930	2,451	5,859	9,765	13,463	14,260
Townhouses	50			6		11				22
Condominiums	28	18	13	54	89	115	203	257	292	253
Duplex/Apartment Buildings	104	20	40	8	19	99	40	35	143	41
Hotels & Motels		3			3	38	61	33	23	69
Mobile Home Parks					3	1			3	2
Guest Houses	36	52	23	29	28	46	105	76	61	54
Buildings	219	175	173	135	186	439	829	889	1,038	846
Structures Subtotal ⁽¹⁾	3,952	3,234	1,848	2,255	2,258	3,200	7,097	11,055	15,023	15,547
Other New Projects ⁽²⁾	3,744	3,205	3,274	3,130	3,838	4,894	6,838	8,026	8,285	8,258
Total Permits Issued for New Projects	7,696	6,439	5,122	5,385	6,096	8,094	13,935	19,081	23,308	23,805
Permits for Add, Alter & Repair	4,908	4,402	4,420	4,665	5,122	5,731	6,247	7,159	7,415	7,071
Total Permits Issued	<u>12,604</u>	<u>10,841</u>	<u>9,542</u>	<u>10,050</u>	<u>11,218</u>	<u>13,825</u>	<u>20,182</u>	<u>26,240</u>	<u>30,723</u>	<u>30,876</u>

Source -- Clark County Development Services, Department of Building

⁽¹⁾ Structures permits are important to SNWA as they are most likely to generate Regional Connection Charge revenues.

⁽²⁾ Examples include signs, pools, spas, garages, walls, fences, and grading permits.

Permits Issued



SOUTHERN NEVADA WATER AUTHORITY
ENTERPRISE FUND (UNAUDITED)
FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY DEPARTMENT / FUNCTION ^{(1) (2)}
LAST TEN FISCAL YEARS

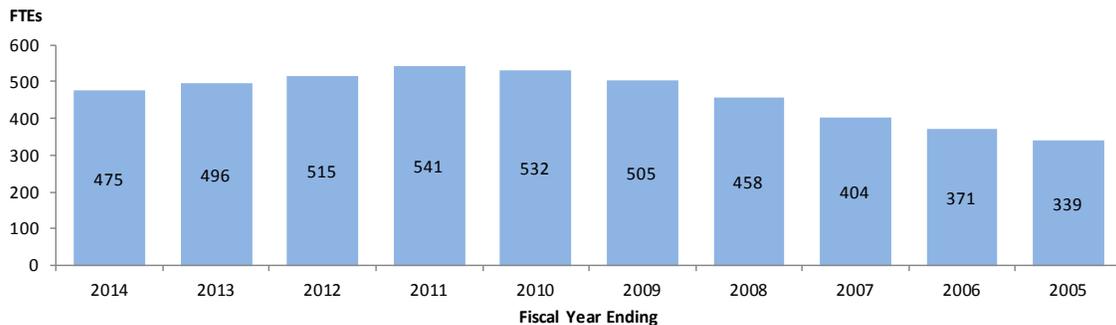
Department ⁽³⁾	Function	Fiscal Year Ended June 30									
		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Water Quality & Treatment	Water Treatment	93.9									
SNWS Operations	Water Transmission	89.0									
Southern Nevada Water Systems	Water Treatment and Transmission		195.9	192.7	199.7	188.5	190.0	181.0	173.0	167.0	165.0
Water and Environmental Resources	Water Resources, Conservation, and Environmental Resources	98.4	48.8	55.2	46.0	35.0	31.0				
SNWA Groundwater Resources	Acquiring and Managing Groundwater Resources		48.1	51.0	63.0	64.5	59.0	91.0	85.0	71.2	55.6
SNWA Surface Water Resources	Acquiring and Managing River Water Resources		14.0	25.0	24.0	20.0	35.0	16.0			
Engineering	Planning and Constructing Infrastructure	51.5	70.8	77.8	78.9	66.0	64.0	59.0	46.0	51.0	41.0
Energy Management	Acquiring and Managing Energy Resources	5.0	5.0	5.0	5.0	5.0	7.0	8.0	6.4		
Las Vegas Valley Water District (LVVWD) Departments	Various General and Administrative Services	137.6	113.6	108.8	124.7	152.7	119.2	103.4	94.0	81.8	77.9
TOTAL		475.4	496.2	515.4	541.3	531.7	505.2	458.4	404.4	371.0	339.4

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.



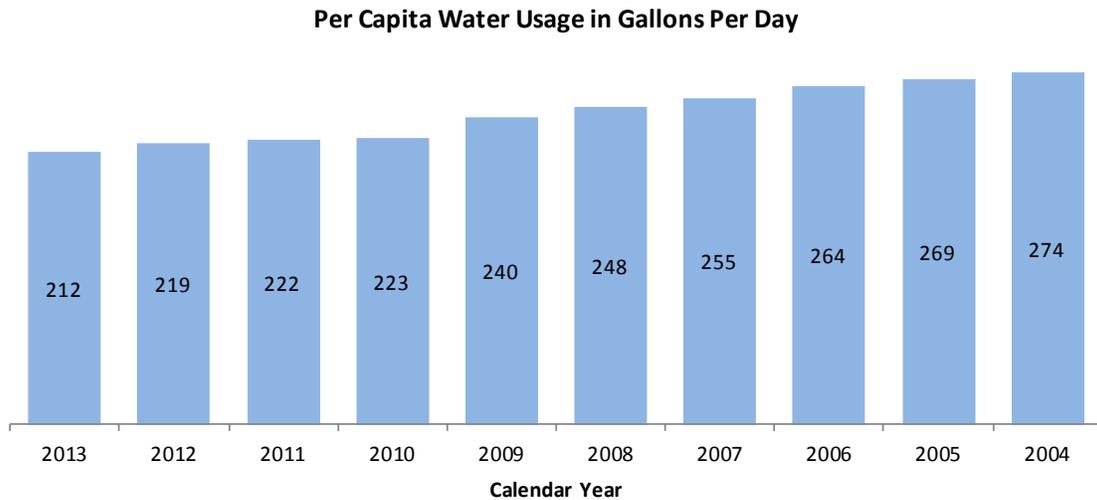
SOUTHERN NEVADA WATER AUTHORITY
ENTERPRISE FUND (UNAUDITED)
OPERATING INDICATORS BY DEPARTMENT / FUNCTION
LAST TEN YEARS

Calendar Year Ended December 31										
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
SNWS Operations										
System Capacity in Million Gallons per Day	1,015.0	1,015.0	1,015.0	1,015.0	1,015.0	1,015.0	900.0	900.0	900.0	750.0
Water Billed in Million Gallons per Day										
Average Day	373.0	361.0	360.1	374.2	354.7	368.2	402.7	399.6	371.4	356.2
Maximum Day	502.3	504.0	479.2	540.1	544.9	531.0	582.0	596.0	603.0	607.0

Fiscal Year Ended June 30										
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
SNWA Water & Environmental Resources										
Conservation -- Per Capita Water Usage in Gallons Per Day	212	219	222	223	240	248	255	264	269	274

Fiscal Year Ended June 30										
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
SNWA Engineering										
Construction Contract Payments (Million Dollars)	\$108	\$109	\$113	\$151	\$226	\$232	\$371	\$148	\$145	\$153

Source -- SNWA departments



SOUTHERN NEVADA WATER AUTHORITY
ENTERPRISE FUND (UNAUDITED)
CAPITAL ASSET STATISTICS
BY DEPARTMENT / FUNCTION
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Miles of Pipeline	163	163	163	163	163
Ozone Treatment Capacity in Million Gallons per Day	1,000	1,000	1,000	1,000	1,000
Ozone Treatment Facilities	2	2	2	2	2
Pumping Plants	29	29	29	29	29
Reservoirs & Forebays	38	38	38	38	38
Metering Stations	35	35	35	35	35
Rechlorination Facilities	8	8	8	8	8
Plant Facilities	3	3	3	3	3

Fiscal Year Ended June 30

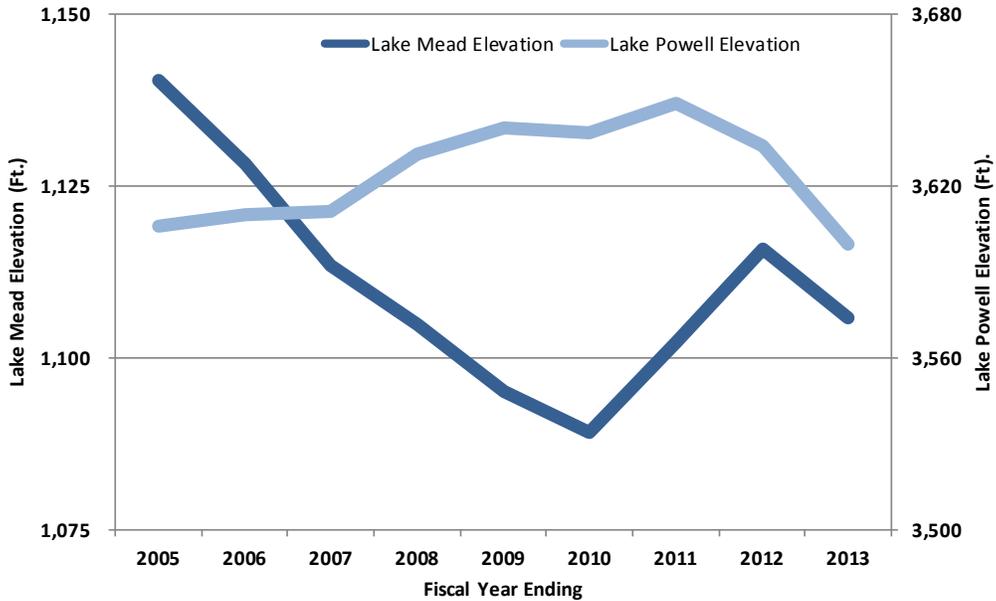
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Miles of Pipeline	163	163	163	163	163
Ozone Treatment Capacity in Million Gallons per Day	1,000	1,000	1,000	1,000	1,000
Ozone Treatment Facilities	2	2	2	2	2
Pumping Plants	29	29	29	29	29
Reservoirs & Forebays	38	38	38	38	38
Metering Stations	35	35	35	35	35
Rechlorination Facilities	8	8	8	8	8
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-04	1,125.9	3,570.8		30-Sep-09	1,093.7	3,635.4
31-Dec-04	1,130.0	3,564.4		31-Dec-09	1,096.3	3,626.2
31-Mar-05	1,147.7	3,555.9		31-Mar-10	1,100.7	3,619.4
30-Jun-05	1,140.5	3,606.3		30-Jun-10	1,089.3	3,638.8
30-Sep-05	1,138.4	3,602.0		30-Sep-10	1,083.8	3,633.7
31-Dec-05	1,137.5	3,598.2		31-Dec-10	1,086.3	3,626.5
31-Mar-06	1,139.5	3,588.7		31-Mar-11	1,096.4	3,610.7
30-Jun-06	1,128.3	3,610.4		30-Jun-11	1,102.4	3,649.0
30-Sep-06	1,125.4	3,601.7		30-Sep-11	1,116.0	3,653.0
31-Dec-06	1,128.1	3,603.4		31-Dec-11	1,132.8	3,639.8
31-Mar-07	1,125.8	3,598.8		31-Mar-12	1,129.4	3,635.3
30-Jun-07	1,113.5	3,611.5		30-Jun-12	1,115.8	3,633.9
30-Sep-07	1,111.1	3,601.9		30-Sep-12	1,115.2	3,621.6
31-Dec-07	1,114.8	3,594.6		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	3,631.1		30-Jun-13	1,106.0	3,600.1
30-Sep-08	1,105.8	3,626.9		30-Sep-13	1,106.9	3,591.3
31-Dec-08	1,111.0	3,617.9		31-Dec-13	1,106.7	3,584.4
31-Mar-09	1,107.4	3,610.4		31-Mar-14	1,101.7	3,574.8
30-Jun-09	1,095.3	3,640.5		30-Jun-14	1,082.7	3,609.2

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, 2014

Page 1 of 5

Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance @ 6/30/2014(\$)
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	

SOUTHERN NEVADA WATER AUTHORITY
DEBT HISTORY (UNAUDITED)
AS OF JUNE 30, 2014

Page 2 of 5

Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance @ 6/30/2014(\$)
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		
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			7,631,704	4,637,991

SOUTHERN NEVADA WATER AUTHORITY
DEBT HISTORY (UNAUDITED)
AS OF JUNE 30, 2014

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Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance @ 6/30/2014(\$)
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			5,430,624	4,569,376
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 & Silver-hawk 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

SOUTHERN NEVADA WATER AUTHORITY
DEBT HISTORY (UNAUDITED)
AS OF JUNE 30, 2014

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Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance @ 6/30/2014(\$)
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			2,760,000	4,140,000
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			350,000	9,650,000
SNWA	2009 Refunding	Nov 2009	Partial Refund of SNWA 0700 SNWA 0601, SNWA 1102, SNWA 1106. SNWA 2008 Bonds	50,000,000			3,645,000	46,355,000
SNWA	2009 Water Revenue Bonds	Dec 2009	SNWA CIP Construction	2,214,457			253,081	1,961,376
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			5,700,000	66,265,000

SOUTHERN NEVADA WATER AUTHORITY
DEBT HISTORY (UNAUDITED)
AS OF JUNE 30, 2014

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Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance @ 6/30/2014(\$)
CRC	2010B Refunding Bonds	June 2010	Refund CRC1997B & Partial Refund of CRC 2003C & 2006D Bonds	7,405,000			945,000	6,460,000
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			17,820,000	249,995,000
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		456,439,825	3,427,458,743

SOUTHERN NEVADA WATER AUTHORITY
SCHEDULE OF EXISTING DEBT SERVICE (INDIVIDUAL SCHEDULES) (UNAUDITED)
AS OF JUNE 30, 2014

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Fiscal Year	SRF Loan Dec 1999			SRF Loan Jun 2001		
	Principal	Interest	Total	Principal	Interest	Total
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						
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Totals	\$ 4,637,991	\$ 561,985	\$ 5,199,975	\$ 4,569,376	\$ 657,683	\$ 5,227,059

SOUTHERN NEVADA WATER AUTHORITY
SCHEDULE OF EXISTING DEBT SERVICE (INDIVIDUAL SCHEDULES) (UNAUDITED)
AS OF JUNE 30, 2014

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Fiscal Year	LVVWD Tax-Exempt Commercial Paper			SNWA 2005F Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 400,000,000	\$ 5,000,000	\$ 405,000,000	\$ -	\$ 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
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Totals	\$ 400,000,000	\$ 5,000,000	\$ 405,000,000	\$ 173,520,000	\$ 69,386,000	\$ 242,906,000

SOUTHERN NEVADA WATER AUTHORITY
SCHEDULE OF EXISTING DEBT SERVICE (INDIVIDUAL SCHEDULES) (UNAUDITED)
AS OF JUNE 30, 2014

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Fiscal Year	CRC 2005H Refunding Bonds			CRC 2005I Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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
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Totals	\$ 31,620,000	\$ 18,069,238	\$ 49,689,238	\$ 47,755,000	\$ 20,039,094	\$ 67,794,094

SOUTHERN NEVADA WATER AUTHORITY
SCHEDULE OF EXISTING DEBT SERVICE (INDIVIDUAL SCHEDULES) (UNAUDITED)
AS OF JUNE 30, 2014

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Fiscal Year	SNWA 2006 Refunding Bonds			SNWA 1106 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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
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Totals	\$ 210,210,000	\$ 83,847,525	\$ 294,057,525	\$ 533,020,000	\$ 286,059,319	\$ 819,079,319

SOUTHERN NEVADA WATER AUTHORITY
SCHEDULE OF EXISTING DEBT SERVICE (INDIVIDUAL SCHEDULES) (UNAUDITED)
AS OF JUNE 30, 2014

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Fiscal Year	CRC 2006D Bonds			LVVWD 2008B		
	Principal	Interest	Total	Principal	Interest	Total
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
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Totals	\$ 66,200,000	\$ 20,617,763	\$ 86,817,763	\$ 116,335,000	\$ 40,917,608	\$ 157,252,608

SOUTHERN NEVADA WATER AUTHORITY
SCHEDULE OF EXISTING DEBT SERVICE (INDIVIDUAL SCHEDULES) (UNAUDITED)
AS OF JUNE 30, 2014

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Fiscal Year	SNWA 2008			SNWA Clean Renewable Energy 2008		
	Principal	Interest	Total	Principal	Interest	Total
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	\$ 273,481,500	\$ 635,636,500	\$ 4,140,000	\$ 217,971	\$ 4,357,971

SOUTHERN NEVADA WATER AUTHORITY
SCHEDULE OF EXISTING DEBT SERVICE (INDIVIDUAL SCHEDULES) (UNAUDITED)
AS OF JUNE 30, 2014

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Fiscal Year	LVVWD 2009 A			LVVWD 2009 B		
	Principal	Interest*	Total	Principal	Interest	Total
2015	\$ -	\$ 4,153,500	\$ 4,153,500	\$ 365,000	\$ 459,313	\$ 824,313
2016	-	4,153,500	4,153,500	380,000	444,713	824,713
2017	-	4,153,500	4,153,500	395,000	429,513	824,513
2018	-	4,153,500	4,153,500	410,000	413,713	823,713
2019	-	4,153,500	4,153,500	425,000	397,313	822,313
2020	-	4,153,500	4,153,500	440,000	380,313	820,313
2021	-	4,153,500	4,153,500	460,000	362,713	822,713
2022	-	4,153,500	4,153,500	475,000	344,313	819,313
2023	-	4,153,500	4,153,500	500,000	320,563	820,563
2024	-	4,153,500	4,153,500	525,000	295,563	820,563
2025	-	4,153,500	4,153,500	550,000	269,313	819,313
2026	-	4,153,500	4,153,500	580,000	241,813	821,813
2027	-	4,153,500	4,153,500	610,000	212,813	822,813
2028	-	4,153,500	4,153,500	640,000	182,313	822,313
2029	-	4,153,500	4,153,500	670,000	150,313	820,313
2030	-	4,153,500	4,153,500	705,000	116,813	821,813
2031	-	4,153,500	4,153,500	740,000	79,800	819,800
2032	-	4,153,500	4,153,500	780,000	40,950	820,950
2033	1,620,000	4,153,500	5,773,500			
2034	1,700,000	4,078,737	5,778,737			
2035	1,775,000	4,000,282	5,775,282			
2036	1,855,000	3,918,366	5,773,366			
2037	1,940,000	3,832,758	5,772,758			
2038	26,520,000	3,743,227	30,263,227			
2039	54,590,000	2,519,329	57,109,329			
2040						
2041						
2042						
2043						
Totals	\$ 90,000,000	\$ 101,009,197	\$ 191,009,197	\$ 9,650,000	\$ 5,142,150	\$ 14,792,150

* 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, 2014

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Fiscal Year	SNWA 2009 Refunding			SNWA 2009 Water Revenue		
	Principal	Interest	Total	Principal	Interest	Total
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
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Totals	\$ 46,355,000	\$ 22,079,500	\$ 68,434,500	\$ 1,961,376	\$ -	\$ 1,961,376

SOUTHERN NEVADA WATER AUTHORITY
SCHEDULE OF EXISTING DEBT SERVICE (INDIVIDUAL SCHEDULES) (UNAUDITED)
AS OF JUNE 30, 2014

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Fiscal Year	LVVWD 2009 C			LVVWD 2009 D		
	Principal	Interest*	Total	Principal	Interest	Total
2015	\$ -	\$ 16,028,085	\$ 16,028,085	\$ 3,070,000	\$ 3,307,738	\$ 6,377,738
2016	-	16,028,085	16,028,085	3,220,000	3,154,238	6,374,238
2017	-	16,028,085	16,028,085	3,385,000	2,993,238	6,378,238
2018	-	16,028,085	16,028,085	3,550,000	2,823,988	6,373,988
2019	-	16,028,085	16,028,085	3,730,000	2,646,488	6,376,488
2020	-	16,028,085	16,028,085	3,910,000	2,459,988	6,369,988
2021	-	16,028,085	16,028,085	4,110,000	2,264,488	6,374,488
2022	-	16,028,085	16,028,085	4,315,000	2,058,988	6,373,988
2023	-	16,028,085	16,028,085	4,530,000	1,843,238	6,373,238
2024	-	16,028,085	16,028,085	4,755,000	1,616,738	6,371,738
2025	-	16,028,085	16,028,085	4,955,000	1,414,650	6,369,650
2026	-	16,028,085	16,028,085	5,205,000	1,166,900	6,371,900
2027	-	16,028,085	16,028,085	5,470,000	906,650	6,376,650
2028	-	16,028,085	16,028,085	3,815,000	633,150	4,448,150
2029	-	16,028,085	16,028,085	4,015,000	432,863	4,447,863
2030	-	16,028,085	16,028,085	4,230,000	222,075	4,452,075
2031	8,215,000	16,028,085	24,243,085			
2032	25,085,000	15,640,259	40,725,259			
2033	39,105,000	14,456,009	53,561,009			
2034	40,950,000	12,609,881	53,559,881			
2035	42,860,000	10,701,417	53,561,417			
2036	44,815,000	8,747,666	53,562,666			
2037	46,860,000	6,704,796	53,564,796			
2038	48,995,000	4,568,707	53,563,707			
2039	51,230,000	2,335,294	53,565,294			
2040						
2041						
2042						
2043						
Totals	\$ 348,115,000	\$ 348,241,475	\$ 696,356,475	\$ 66,265,000	\$ 29,945,413	\$ 96,210,413

* 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, 2014

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Fiscal Year	CRC 2010B			LVVWD 2011A		
	Principal	Interest	Total	Principal	Interest	Total
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	\$ 6,460,000	\$ 860,566	\$ 7,320,566	\$ 58,110,000	\$ 21,236,964	\$ 79,346,964

SOUTHERN NEVADA WATER AUTHORITY
SCHEDULE OF EXISTING DEBT SERVICE (INDIVIDUAL SCHEDULES) (UNAUDITED)
AS OF JUNE 30, 2014

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Fiscal Year	LVVWD 2011B			LVVWD 2011C		
	Principal	Interest	Total	Principal	Interest	Total
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	\$ 43,403,345	\$ 173,053,345	\$ 249,995,000	\$ 137,371,275	\$ 387,366,275

SOUTHERN NEVADA WATER AUTHORITY
SCHEDULE OF EXISTING DEBT SERVICE (INDIVIDUAL SCHEDULES) (UNAUDITED)
AS OF JUNE 30, 2014

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Fiscal Year	SNWA 2012A			LVVWD 2012B		
	Principal	Interest	Total	Principal	Interest	Total
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	-	3,180,600	3,180,600	7,060,000	16,545,600	23,605,600
2018	-	3,180,600	3,180,600	7,345,000	16,263,200	23,608,200
2019	-	3,180,600	3,180,600	7,690,000	15,915,950	23,605,950
2020	-	3,180,600	3,180,600	8,055,000	15,551,450	23,606,450
2021	-	3,180,600	3,180,600	8,440,000	15,168,700	23,608,700
2022	-	3,180,600	3,180,600	8,690,000	14,915,500	23,605,500
2023	-	3,180,600	3,180,600	9,120,000	14,486,750	23,606,750
2024	-	3,180,600	3,180,600	9,565,000	14,044,750	23,609,750
2025	-	3,180,600	3,180,600	10,040,000	13,566,500	23,606,500
2026	-	3,180,600	3,180,600	10,545,000	13,064,500	23,609,500
2027	-	3,180,600	3,180,600	11,070,000	12,537,250	23,607,250
2028	-	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	\$ 53,155,400	\$ 138,170,400	\$ 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, 2014

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Fiscal Year	SNWA 2013			GRAND TOTAL		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ -	\$ 651,600	\$ 651,600	\$ 424,290,584	\$ 146,219,097	\$ 570,509,681
2016	-	651,600	651,600	84,045,252	140,384,286	224,429,537
2017	-	651,600	651,600	110,456,517	135,935,049	246,391,566
2018	-	651,600	651,600	115,564,439	130,813,145	246,377,583
2019	-	651,600	651,600	121,009,074	125,361,367	246,370,441
2020	-	651,600	651,600	126,755,486	119,592,087	246,347,573
2021	-	651,600	651,600	130,729,253	113,519,448	244,248,701
2022	-	651,600	651,600	136,549,085	107,344,541	243,893,626
2023	-	651,600	651,600	143,171,540	100,407,767	243,579,308
2024	-	651,600	651,600	149,731,540	93,417,861	243,149,401
2025	-	651,600	651,600	157,896,540	86,035,439	243,931,979
2026	-	651,600	651,600	165,816,540	78,192,349	244,008,889
2027	-	651,600	651,600	153,201,540	70,217,238	223,418,778
2028	21,720,000	325,800	22,045,800	129,711,540	63,375,116	193,086,657
2029				109,281,540	58,314,510	167,596,051
2030				114,803,270	53,401,385	168,204,655
2031				91,700,000	48,013,760	139,713,760
2032				95,700,000	43,720,434	139,420,434
2033				100,690,000	39,105,359	139,795,359
2034				105,415,000	34,383,268	139,798,268
2035				110,245,000	29,551,137	139,796,137
2036				115,255,000	24,546,056	139,801,056
2037				120,245,000	19,552,316	139,797,316
2038				125,095,000	14,706,183	139,801,183
2039				125,460,000	8,824,222	134,284,222
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	\$ 8,796,600	\$ 30,516,600	\$ 3,427,458,743	\$ 1,891,115,919	\$ 5,318,574,661

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SEC DISCLOSURE
COMPLIANCE SCHEDULES
(UNAUDITED)



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

As of June 30, 2014

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	6,460,000
TOTAL SUPERIOR OBLIGATIONS				104,280,000
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	9,650,000
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	66,265,000
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	249,995,000
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>				1,513,135,000
LVVWD Commercial Paper Notes ⁽³⁾	various	various	400,000,000	400,000,000
<i>Total MBRA Obligations</i>				1,913,135,000
<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	46,355,000
<i>Total MBRA Parity Obligations</i>				1,199,495,000
TOTAL PARITY OBLIGATIONS				3,112,630,000
SUBORDINATE OBLIGATIONS ⁽⁵⁾				
State of Nevada Safe Drinking Water Loan #1	09/01/99	05/15/28	12,269,695	4,637,991
State of Nevada Safe Drinking Water Loan #2	06/29/01	02/01/20	10,000,000	4,569,375
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	4,140,000
Water Revenue Bond Series 2009 (State of Nevada)	12/11/09	07/01/32	2,214,457	1,961,376
SNWA Refunding Bonds, Series 2013A (State Bond Bank)	02/20/13	08/01/27	21,720,000	21,720,000
TOTAL SUBORDINATE OBLIGATIONS				210,548,742
TOTAL OUTSTANDING OBLIGATIONS				\$ 3,427,458,742

Footnotes on the following page

SOUTHERN NEVADA WATER AUTHORITY
OUTSTANDING DEBT OBLIGATIONS (UNAUDITED)

As of June 30, 2014

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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, 2014

Year Ending June 30	Outstanding Superior Obligations Debt Service	Outstanding Parity Obligations Debt Service ⁽²⁾⁽³⁾	Outstanding Subordinate Obligations Debt Service	Grand Total
2015	\$ 5,991,410	\$ 552,994,780	\$ 11,523,491	\$ 570,509,681
2016	12,015,199	200,896,229	11,518,109	224,429,537
2017	12,011,510	211,035,705	23,344,352	246,391,566
2018	12,011,527	211,029,336	23,336,720	246,377,583
2019	12,009,317	211,028,911	23,332,213	246,370,441
2020	12,004,129	211,019,238	23,324,206	246,347,573
2021	10,775,213	211,024,077	22,449,412	244,248,701
2022	10,776,125	211,016,817	22,100,684	243,893,626
2023	10,784,700	211,046,776	21,747,831	243,579,308
2024	10,778,700	211,085,561	21,285,140	243,149,401
2025	11,561,950	211,092,764	21,277,265	243,931,979
2026	11,559,100	211,165,649	21,284,140	244,008,889
2027	11,548,688	190,586,825	21,283,265	223,418,778
2028	-	170,914,316	22,172,340	193,086,657
2029	-	167,469,510	126,540	167,596,051
2030	-	168,141,385	63,270	168,204,655
2031	-	139,713,760	-	139,713,760
2032	-	139,420,434	-	139,420,434
2033	-	139,795,359	-	139,795,359
2034	-	139,798,268	-	139,798,268
2035	-	139,796,137	-	139,796,137
2036	-	139,801,056	-	139,801,056
2037	-	139,797,316	-	139,797,316
2038	-	139,801,183	-	139,801,183
2039	-	134,284,222	-	134,284,222
2040	-	23,609,600	-	23,609,600
2041	-	23,606,000	-	23,606,000
2042	-	23,606,900	-	23,606,900
Totals	<u>\$ 143,827,566</u>	<u>\$4,884,578,114</u>	<u>\$ 290,168,982</u>	<u>\$ 5,318,574,661</u>

Amounts may be slightly off due to rounding

(1) Includes 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	2010 (Actual)	2011 (Actual)	2012 (Actual)	2013 (Actual)	2014 (Actual)
Operating Revenues					
Wholesale Delivery Charge	\$ 110,097,368	\$ 119,457,411	\$ 119,239,660	\$ 117,534,578	\$ 121,045,154
Groundwater Program Revenues	872,104	894,502	867,716	863,417	\$ 842,191
Las Vegas Wash Revenues	698,274	397,408	397,407	397,708	\$ 397,408
Purveyor Admin Cost Billings	342,820	362,263	318,886	383,443	\$ 425,765
Other Revenues	2,563,872	2,950,612	2,705,745	3,525,867	\$ 3,843,389
Total Operating Revenues	<u>114,574,438</u>	<u>124,062,196</u>	<u>123,529,414</u>	<u>122,705,013</u>	<u>126,553,907</u>
Operating Expenses					
Personnel & Related	37,948,022	42,491,203	43,450,464	43,880,414	50,216,887
Energy	39,656,635	36,013,713	44,527,798	36,347,165	53,409,820
Operation and maintenance	45,801,462	34,357,566	37,685,150	27,943,415	34,483,860
Depreciation	76,350,465	74,381,219	74,918,789	74,943,316	75,853,379
Total Operating Expenses	<u>199,756,584</u>	<u>187,243,701</u>	<u>200,582,201</u>	<u>183,114,310</u>	<u>213,963,946</u>
Operating Loss	<u>(85,182,146)</u>	<u>(63,181,505)</u>	<u>(77,052,787)</u>	<u>(60,409,297)</u>	<u>(87,410,039)</u>
Non-operating Revenues/(Expense)					
Investment Income	1,374,146	1,024,158	869,505	740,407	2,309,538
Credit Payment Income	6,442,781	10,896,699	10,867,008	10,316,798	10,097,944
Interest Expense	(75,369,159)	(79,960,801)	(67,567,023)	(64,010,853)	(55,351,153)
Amortization of Refunding Costs	(969,032)	(1,079,554)	(2,254,389)	(2,926,272)	(2,921,604)
Bond Issue Costs	(5,473,902)	(5,153,406)	(7,264,123)	(5,606,185)	(3,314,554)
Amortization of	3,537,813	3,452,152	3,211,357	3,291,755	3,780,080
Gain/(Loss) on Sale of Assets	(5,051)	53,733	37,112	63,295	44,132
Total Non-operating Revenues/(Expenses)	<u>(70,462,404)</u>	<u>(70,767,019)</u>	<u>(62,100,553)</u>	<u>(58,131,055)</u>	<u>(45,355,617)</u>
Net Loss Before Adjustments	(155,644,550)	(133,948,524)	(139,153,340)	(118,540,352)	(132,765,656)
Add Capital Contributions ^{1/}	<u>75,876,870</u>	<u>93,092,191</u>	<u>135,679,772</u>	<u>205,919,057</u>	<u>237,839,036</u>
Net Income	(79,767,680)	(40,856,333)	(3,473,568)	87,378,705	105,073,380
Adjustment per GASB 65	(13,900,000)				
Net Position - Beginning 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>
Net Position - End of Year	<u>\$ 1,381,263,753</u>	<u>\$ 1,340,407,420</u>	<u>\$ 1,336,933,852</u>	<u>\$ 1,424,312,557</u>	<u>\$ 1,529,385,937</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	2013 (Budget)	2013 (Actual)	2014 (Budget)	2014 (Actual)	2015 (Budget)
Operating Revenues					
Wholesale Delivery Charge	\$ 117,498,863	\$ 117,534,578	\$ 121,958,169	\$ 121,045,154	\$ 123,370,688
Groundwater Program Revenues	913,359	863,417	913,345	842,191	892,964
Las Vegas Wash Revenues	496,759	397,708	705,482	397,408	727,398
Purveyor Admin Cost Billings	301,584	383,443	1,013,138	425,765	1,185,173
Other Revenues	1,099,750	3,525,867	1,102,305	3,843,389	1,506,993
Total Operating Revenues	<u>120,310,315</u>	<u>122,705,013</u>	<u>125,692,439</u>	<u>126,553,907</u>	<u>127,683,215</u>
Operating Expenses					
Personnel & Related	43,405,732	43,880,414	43,868,607	50,216,887	45,215,400
Energy	39,311,358	36,347,165	41,484,548	53,409,820	44,367,515
Operation and maintenance	38,991,833	27,943,415	37,866,920	34,483,860	39,599,848
Depreciation	76,000,000	74,943,316	80,000,000	75,853,379	80,000,000
Total Operating Expenses	<u>197,708,923</u>	<u>183,114,310</u>	<u>203,220,075</u>	<u>213,963,946</u>	<u>209,182,763</u>
Operating Loss	<u>(77,398,608)</u>	<u>(60,409,297)</u>	<u>(77,527,636)</u>	<u>(87,410,039)</u>	<u>(81,499,548)</u>
Non-operating Revenues/(Expense)					
Investment Income	1,762,923	740,407	714,982	2,309,538	1,196,376
Credit Payment Income		10,316,798		10,097,944	
Interest Expense	(61,726,000)	(64,010,853)	(60,068,182)	(55,351,153)	(64,584,975)
Amortization of Refunding Costs		(2,926,272)		(2,921,604)	
Bond Issue Costs		(5,606,185)		(3,314,554)	
Amortization of Premiums/ Gain/(Loss) on Sale of Assets		3,291,755		3,780,080	
		63,295		44,132	
Total Non-operating Revenues/(Expense)	<u>(59,963,077)</u>	<u>(58,131,055)</u>	<u>(59,353,200)</u>	<u>(45,355,617)</u>	<u>(63,388,599)</u>
Net Loss Before Adjustments	(137,361,685)	(118,540,352)	(136,880,836)	(132,765,656)	(144,888,147)
Add Capital Contributions ^{1/}	<u>197,998,278</u>	<u>205,919,057</u>	<u>201,691,955</u>	<u>237,839,036</u>	<u>235,518,357</u>
Net Income	<u>\$ 60,636,593</u>	<u>\$ 87,378,705</u>	<u>\$ 64,811,119</u>	<u>\$ 105,073,380</u>	<u>\$ 90,630,210</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
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
2014	10,688	61,890	280,417	1,097	46,459	400,551

May be off slightly due to rounding

HISTORIC SNWA PLEDGED REVENUES

Fiscal Year Ended June 30	SNWA Pledged Revenues ^{1/2/}
2010	49,830,542
2011	49,472,713
2012	49,040,027
2013	70,780,624
2014	87,602,090

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	2010 (Actual)	2011 (Actual)	2012 (Actual)	2013 (Actual)	2014 (Actual)
Operating Revenues					
Wholesale Delivery Charge	\$ 110,097,368	\$ 119,457,411	\$ 119,239,660	\$ 117,534,578	\$ 121,045,154
Regional Connection Charge ^{1/}	5,309,547	6,602,728	13,892,856	22,915,416	44,819,669
Regional Water Charges	22,538,155	37,335,440	45,915,806	45,641,138	48,209,644
Sales Tax	41,833,183	43,577,390	46,222,883	48,847,306	52,308,926
Regional Infrastructure Charges			16,193,130	79,114,278	80,244,881
Total Operating Revenues	<u>179,778,253</u>	<u>206,972,969</u>	<u>241,464,335</u>	<u>314,052,716</u>	<u>346,628,274</u>
Operating Expenses ^{2/}	123,406,119	112,862,482	125,663,412	108,170,994	138,110,567
Net SNWA Water Revenue	<u>56,372,134</u>	<u>94,110,487</u>	<u>115,800,923</u>	<u>205,881,722</u>	<u>208,517,707</u>
Annual Debt Service on the SNWA Superior Obligations	13,596,088	11,053,346	2,659,971	5,991,327	5,991,328
Remaining SNWA Water Revenues ^{3/}	42,776,046	83,057,141	113,140,952	199,890,395	202,526,379
Unrestricted Fund Balance ^{4/}	<u>442,315,078</u>	<u>366,951,904</u>	<u>305,553,937</u>	<u>322,552,194</u>	<u>254,386,159</u>
Total	485,091,124	450,009,045	418,694,889	522,442,589	456,912,538
Annual Debt Service on the SNWA Parity Obligations ^{5/}	127,968,971	120,652,753	124,121,600	125,228,410	135,690,455
Less Capitalized Interest ^{6/}	<u>(53,224,059)</u>	<u>(61,829,184)</u>	<u>(68,310,080)</u>	<u>(73,763,753)</u>	<u>(80,834,323)</u>
Net Annual Debt Service on Parity Obligations	<u>\$ 74,744,912</u>	<u>\$ 58,823,569</u>	<u>\$ 55,811,520</u>	<u>\$ 51,464,657</u>	<u>\$ 54,856,132</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.

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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, 2014, 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 4, 2014.

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 4, 2014.

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 Boul Taylor, KM

Las Vegas, Nevada
November 4, 2014