



SOUTHERN NEVADA WATER AUTHORITY®

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Years Ended June 30, 2017 and 2016



The Southern Nevada Water Authority (SNWA) Water Quality Laboratory and Applied Research & Development Center houses one of the most sophisticated municipal water quality laboratory complexes in the world. Its main goal is to verify that water delivered to Southern Nevada's municipal customers meets the requirements of the Safe Drinking Water Act.

From comprehensive water-quality testing programs to innovative projects designed to explore new treatment technologies, we are committed to improving both water quality and water-treatment methods.



Comprehensive Annual Financial Report

**For the Fiscal Years Ended
June 30, 2017 and 2016**

John J. Entsminger
General Manager

Brian G. Thomas
Chief Financial Officer

Prepared by the SNWA Accounting Division of the Finance Department
Richard Snelding, SNWA Controller
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Introductory Section

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- Letter of Transmittal
- Map of Service Area
- Organizational Chart
- List of Principal Officials
- Certificate of Excellence in Financial Reporting



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November 1, 2017

To the Board of Directors,
Member Agencies,
and Citizens of Southern Nevada

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, 2017. 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 independent auditors' report.

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.

Nevada Revised Statute 354.624 and bond covenants 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 unmodified opinion, is included in the financial section.

The independent audit of the basic financial statements of the SNWA is 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.

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 SNWA’s member agencies. The SNWA was created to address Southern Nevada’s unique water needs on a regional basis, and is 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 as the operating agent for the SNWA.

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 nonoperating expenses. The budget effectively controls expenditures at various levels. Department directors and division managers are accountable for their budget variances.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy – The economic environment for Las Vegas and Clark County has improved steadily over the past several years. According to the U.S. Bureau of Economic Analysis, the Las Vegas metropolitan area’s gross domestic product rose over 6.3 percent per year over the past two years. According to the State, the unemployment level in Clark County was 5.1 percent at the end of June 2017, which is a significant improvement over the 13.4 percent at the end of June 2011, and 13.8 percent at the end of June 2010. Although higher than the June 2017 national U.S. unemployment rate of 4.4 percent, Clark County’s unemployment rate continues to improve.

According to the U.S. Bureau of Census, Clark County’s population increased from 1,428,689 in 2000 to 1,951,269 in 2010, which is an increase of 36.6 percent. In 2016, Clark County’s population was 2,166,181, according to the Nevada State Demographer.

The Las Vegas Convention and Visitors Authority reported that from calendar year 2015 to 2016 visitor count in Clark County rose by 1.5 percent to 42.9 million, citywide hotel/motel occupancy rose 1.4 percent to 89.1 percent, convention attendance rose by 7.1 percent to 6.3 million, and gaming revenue in Clark County rose by 1.0 percent to \$9.7 billion.

The Nevada Department of Taxation reported taxable sales in Clark County were \$3.6 billion in June 2017, which is a year-over-year increase of 0.3 percent.

The housing market in Clark County continues to improve. In June 2017, the home inventory was 10,737, which is a decrease of 18.3 percent year-over-year. The median price for a new home was \$339,603, which is a 3.7 percent increase year-over-year. The existing median home price was \$229,900, which is a 12.1 percent increase year-over-year. New and existing home sales were up year-over-year by 5.4 percent and 10.5 percent, respectively.

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 its members. To accomplish this, comprehensive capital plans are developed in conjunction with financial plans that utilize practical methods of paying future capital expenditures and debt service obligations.

Capital projects for the SNWA are initiated in response to identified needs for improvements to the facilities that provide for treatment and delivery of water supplies to the members of the SNWA. These improvements include (1) new facilities to expand or enhance treatment and distribution capabilities; (2) new water resources to expand or extend available water supplies; and (3) the repair, upgrade or replacement of existing facilities.

The Engineering Department develops capital plans as needed, which the Board reviews and approves. The capital plans identify projects and initiatives for new facilities, acquisition of water and energy resources, and other capital related activities. They also identify estimated costs and schedules for all approved projects and initiatives. The Finance Department models these costs to project the size and timing of future bond issuances as well as probable revenue enhancements that would be needed to pay for future costs.

As of June 30, 2017, the SNWA has \$3.8 billion in outstanding 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:

- LVVWD may issue debt on behalf of the SNWA under the Master Bond Repayment Agreement;
- Borrow through the State Bond Bank, in which the SNWA issues a bond to the State and the State in turn issues State General Obligation bonds (pursuant to 1997 Nevada legislation);
- Borrow through the Clark County Bond Bank, in which the SNWA issues a bond to the County and the County in turn issues County General Obligation bonds (pursuant to 1999 Nevada legislation); or
- Issue revenue bonds in its own name, recognizing that the SNWA does not have the power to levy property taxes and issue general obligation bonds.

The credit ratings as of June 30, 2017, are listed below.

	Moody's	Standard & Poor's
LVVWD	Aa1	AA
State of Nevada Bond Bank	Aa2	AA
Clark County Bond Bank	Aa1	AA+
LVVWD Commercial Paper	P-1	A-1+

Relevant Financial Policies – Budgets are developed to maintain balance between revenues and expenditures. Budgets are 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 finance plans that can generate sufficient revenues to pay for projected expenditures.

The SNWA regards its cash reserves as a critical component of its fiscal health and one of the most important metrics supporting its strong credit ratings. Cash reserves are monitored regularly and revenue shortfalls are managed through a combination of methods. User fees and charges are adjusted to maintain required debt service coverage ratios 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.

The SNWA's reserve policy provides guidance for maintaining adequate reserves. Maintaining adequate reserves is an important tool in mitigating the risks of significant and unexpected decreases in sources of funds and/or increases in the uses of funds. Maintaining adequate reserves helps to ensure stable services and fees and allows the SNWA to better respond to unforeseen negative changes in the local economy while providing a high quality and reliable water supply to purveyor members. In addition, prudent reserves, along with a formal reserve policy, are a key factor rating agencies consider in their evaluation of creditworthiness.

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 38 percent of capacity at the end of June 2017.

The SNWA remains focused on its responsibility to ensure the acquisition, treatment, and delivery of a reliable and high 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.
- Continuation of conservation education and incentive programs to maximize available water supplies.
- Continuation of work with federal, state, and local agencies to develop and operate joint facilities that provide regional solutions to water quality, supply, and environmental issues on the Colorado River.
- Construction of the Low Lake Level Pumping Station (L3PS) to ensure access to Lake Mead water at the lowest elevations accessible by Intake No. 3.
- Securing all necessary permitting for the Groundwater Development Project in northeast Nevada.
- Maintenance efforts on the existing water infrastructure system.

Existing pumping stations associated with Intake No. 1 and Intake No. 2 are currently drawing water from Intake No. 3 for customer delivery; however, Intake No. 1 becomes inoperable at elevation 1,050 feet and Intake No. 2 does the same at elevation 1,000 feet.

Because current and forecasted conditions project a high probability of lake levels continuing to decline, potentially to 1,000 feet or lower within the next decade, a new pumping station (L3PS) is currently being constructed. Once complete and connected to Intake No. 3, the L3PS will have a capability of drawing water from as low as 875 feet above sea level.

The L3PS remains an important priority for protecting Southern Nevada's primary water supply and represents the majority of the SNWA's capital commitments for the next fiscal year.

CONTINUING DISCLOSURE

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 available on the Electronic Municipal Market Access (EMMA) website, the Municipal Securities Rulemaking Board's central repository.

AWARDS AND ACKNOWLEDGMENTS

CAFR – The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the SNWA for its CAFR for the fiscal year ended June 30, 2016. This was the twenty-first consecutive year that the SNWA has achieved this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Budget – In addition, the SNWA also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2016. In order to qualify for this award, a government must publish a budget document that meets program criteria as a policy document, operations guide, financial plan, and communications device.

Water Treatment – The Alfred Merritt Smith and River Mountains water treatment facilities each earned two awards from the American Water Works Association. The prestigious President's Award and the 15-Year Director's Award. These awards are for implementing a formal ongoing effort to discover methods and approaches to enhance achievement of the Partnership for Safe Water's defined and accepted optimization goals.

Construction – The University of Colorado, Boulder recognized Intake No. 3 with a Tunnel Achievement Award, honoring the SNWA project's design-build approach, tunnel boring machine, and solutions to a variety of construction challenges.

Fleet – The SNWA placed 15th in the Top 50 Green Fleets in North America for going above and beyond in the utilization of green fuels and green technologies with a focus on sustainability. The SNWA placed 46th in the Top 100 Fleets in North America for using cutting edge technologies and practices in the management and operation to include vehicles/equipment, personnel, facilities, and operating systems. In addition, the SNWA's fleet was recognized as an Automotive Service Excellence (ASE) Blue Seal of Excellence operation by ASE. Finally, the paint and body operation received I-CAR Platinum certification, which is the top certification that can be obtained in paint and body operations.

Public Relations – The SNWA earned Pinnacle awards for social media and television programming from the Las Vegas Valley Chapter of the Public Relations Society of America.

Other Acknowledgements – 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 Shera Miyashiro, Accountant. We also thank the members of the Board for their continued support in the planning, implementation, and oversight of the SNWA’s financial affairs.

Sincerely,



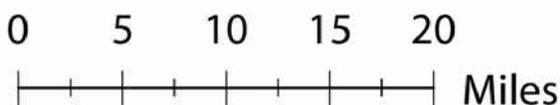
John J. Entsminger

General Manager

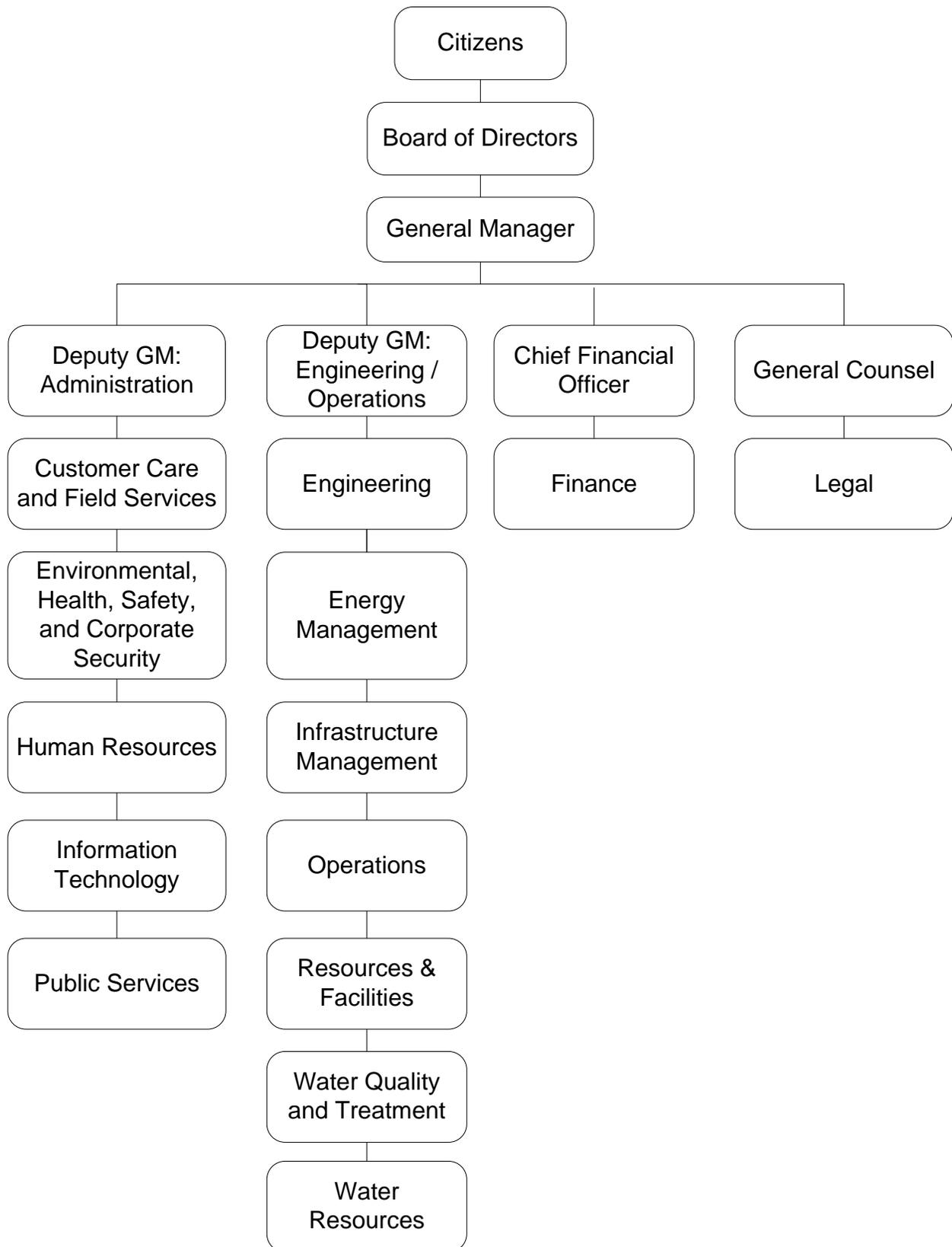


Brian G. Thomas

Chief Financial Officer



Southern Nevada Water Authority
Organizational Chart
As of June 30, 2017





Board of Directors



Marilyn Kirkpatrick, Chair
Las Vegas Valley Water District



Bob Coffin, Vice Chair
City of Las Vegas



Isaac E. Barron
City of North
Las Vegas



James B. Gibson
Clark County
Water Reclamation
District



Peggy Leavitt
City of Boulder City



John Marz
City of Henderson



Steve Sisolak
Big Bend Water District

Executive Management



John J. Entsminger
General Manager



Julie A. Wilcox
Deputy General Manager
Administration



David L. Johnson
Deputy General Manager
Engineering/Operations



Brian G. Thomas
Chief Financial
Officer



Gregory J. Walch
General Counsel



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, 2016

Executive Director/CEO

Financial Section

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to Basic Financial Statements
- Other Supplementary Information



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, 2017 and 2016, 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 June 30, 2017 and 2016, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 - 3 through 2 - 8 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

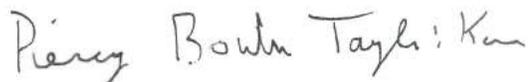
placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries 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 other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 1, 2017, 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 1, 2017

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis
For the fiscal years ended June 30, 2017 and 2016

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, 2017. We encourage readers to consider the information presented here in conjunction with the basic financial statements and accompanying notes, which follow this section.

Financial Highlights for 2017

- Total Assets decreased \$2.1 million over the prior year totaling \$5.7 billion.
- Total Liabilities decreased \$114.2 million over the prior year totaling \$3.9 billion.
- Total Deferred Outflows of Resources decreased \$3.8 million over the prior year totaling \$82.3 million. Total Deferred Inflows of Resources decreased \$1.2 million over the prior year totaling \$16.8 million.
- Total Assets and Deferred Outflows of Resources exceeded Total Liabilities and Deferred Inflows of Resources at the close of the fiscal year by \$1.8 billion (net position). Net Position increased during the fiscal year by \$109.6 million.
- The SNWA sold its 25% stake in the Silverhawk Generation Station for \$77.0 million reducing Net Capital Assets by \$58.0 million.

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 the 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.

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 SNWA's financial position.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents statistical information and continuing disclosure information.

Financial analysis. One indication of the financial health of the SNWA is net position, which is the difference between assets and liabilities.

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis
For the fiscal years ended June 30, 2017 and 2016

The following table summarizes the Statements of Net Position as of June 30, 2017, 2016, and 2015.

Condensed Statements of Net Position (In Millions)

	<u>2017</u>	<u>Change</u>	<u>2016</u>	<u>Change</u>	<u>2015</u>
Assets and Deferred Outflows					
Current and Other Noncurrent Assets	\$ 1,111.2	\$ (41.5)	\$ 1,152.7	\$ 443.2	\$ 709.4
Capital Assets	4,607.1	39.4	4,567.7	115.3	4,452.3
Total Assets	<u>5,718.3</u>	<u>(2.1)</u>	<u>5,720.3</u>	<u>558.5</u>	<u>5,161.8</u>
Deferred Outflows of Resources	82.3	(3.8)	86.1	8.8	77.3
Total Assets and Deferred Outflows of Resources	<u>\$ 5,800.6</u>	<u>\$ (5.8)</u>	<u>\$ 5,806.4</u>	<u>\$ 567.4</u>	<u>\$ 5,239.0</u>
Liabilities and Deferred Inflows					
Current Liabilities	\$ 555.2	\$ 8.2	\$ 547.0	\$ 23.5	\$ 523.4
Noncurrent Liabilities	3,380.5	(122.4)	3,502.9	423.2	3,079.7
Total Liabilities	<u>3,935.7</u>	<u>(114.2)</u>	<u>4,049.9</u>	<u>446.7</u>	<u>3,603.1</u>
Deferred Inflows of Resources	16.8	(1.2)	18.0	(1.2)	19.1
Net Position					
Net Investments in Capital Assets	1,258.2	59.7	1,198.5	96.9	1,101.5
Restricted for Debt Service / Capital Assets	65.4	49.6	15.8	(5.7)	21.5
Unrestricted	524.5	0.2	524.3	30.6	493.7
Total Net Position	<u>1,848.2</u>	<u>109.6</u>	<u>1,738.6</u>	<u>121.8</u>	<u>1,616.8</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 5,800.6</u>	<u>\$ (5.8)</u>	<u>\$ 5,806.4</u>	<u>\$ 567.4</u>	<u>\$ 5,239.0</u>

(Totals may not add due to rounding.)

Total Assets decreased by \$2.1 million (less than 0.05%) in fiscal year 2017 and increased \$558.5 million (10.8%) in fiscal year 2016. Fiscal year 2017 remained approximately unchanged due to normal operation. The fiscal year 2016 increase is primarily attributed to a bond issuance which included \$520.0 million to fund the construction of the low lake level pumping station. For fiscal year 2017, Current and Other Noncurrent Assets decreased \$41.5 million (-3.6%), and Capital Assets increased by \$39.4 million (0.9%). For fiscal year 2016, Current and Other Noncurrent Assets increased \$443.2 million (62.5%), as did Capital Assets by \$115.3 million (2.6%). The fluctuations in fiscal years 2017 and 2016 within Total Assets are largely due to expenditures on capital assets.

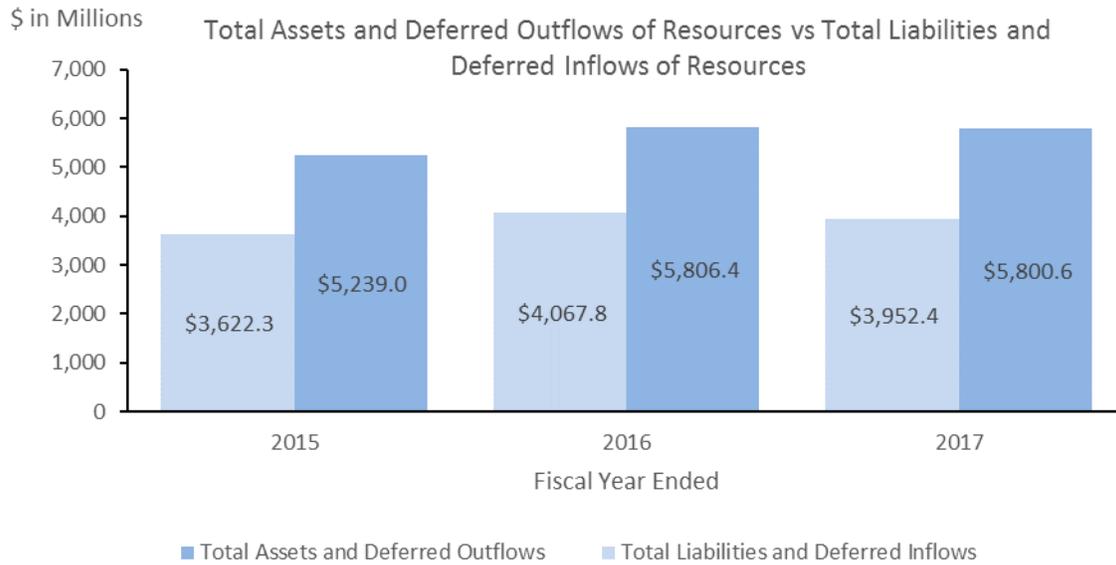
Total Deferred Outflows of Resources decreased \$3.8 million (-4.4%) in fiscal year 2017, which resulted from a combination of better than expected returns on the pension investments of the Las Vegas Valley Water District (LVVWD) and bond refunding activities. Total Deferred Outflows of Resources increased \$8.8 million (11.4%) in fiscal year 2016, which is mainly caused by the addition of the deferred amount related to the pension due to the LVVWD and is offset by the results of bond refunding activities.

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis
For the fiscal years ended June 30, 2017 and 2016

Total Liabilities decreased \$114.2 million (-2.8%) in fiscal year 2017 and increased \$446.7 million (12.4%) in fiscal year 2016. In fiscal year 2017, Noncurrent Liabilities decreased \$122.4 million (-3.5%) primarily due to three bond refundings. In fiscal year 2016, Noncurrent Liabilities increased by \$423.2 million (13.7%) primarily attributable to bond issuance, bond refunding activities, and an increase in amounts owed to the LVVWD relating to implementation of Statement No. 68 of the Governmental Accounting Standards Board (GASB).

Total Deferred Inflows of Resources decreased \$1.2 million (-6.7%) in fiscal year 2017 and \$1.2 million (-6.3%) in fiscal year 2016. The decrease in both fiscal years resulted from bond refunding activities and normal amortization of deferred amounts of bond refundings.



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For the fiscal years ended June 30, 2017 and 2016

The following table summarizes the Statements of Revenues, Expenses, and Changes in Net Position for the fiscal years ended June 30, 2017, 2016 and 2015.

Condensed Statements of Revenues, Expenses, and Changes in Net Position (In Millions)

	<u>2017</u>	<u>Change</u>	<u>2016</u>	<u>Change</u>	<u>2015</u>
Operating Revenues					
Wholesale Delivery Charges	\$ 130.1	\$ 5.1	\$ 125.1	\$ 4.0	\$ 121.1
Other Revenues	7.3	(43.8)	51.1	45.8	5.3
Total Operating Revenues	<u>137.4</u>	<u>(38.8)</u>	<u>176.1</u>	<u>49.7</u>	<u>126.4</u>
Operating Expenses					
Personnel and Related	56.0	(0.3)	56.3	6.3	50.0
Energy	36.6	(2.7)	39.3	4.3	35.1
Depreciation	97.4	6.6	90.8	15.0	75.8
Operating and Maintenance	73.8	34.5	39.3	(3.1)	42.5
Total Operating Expenses	<u>263.9</u>	<u>38.1</u>	<u>225.8</u>	<u>22.5</u>	<u>203.3</u>
Total Operating Loss	<u>(126.5)</u>	<u>(76.9)</u>	<u>(49.6)</u>	<u>27.3</u>	<u>(76.9)</u>
Nonoperating Revenues (Expenses)					
Investment Income and Other	19.9	15.8	4.1	2.4	1.7
Nonoperating expenses	(116.0)	17.4	(133.3)	(76.4)	(56.9)
Total Nonoperating Revenues (Expenses)	<u>(96.1)</u>	<u>33.2</u>	<u>(129.3)</u>	<u>(74.1)</u>	<u>(55.2)</u>
Loss Before Capital Contributions	(222.6)	(43.7)	(178.9)	(46.8)	(132.0)
Capital Contributions	<u>332.1</u>	<u>31.5</u>	<u>300.7</u>	<u>18.8</u>	<u>281.9</u>
Change in Net Position	<u>109.6</u>	<u>\$ (12.2)</u>	<u>121.8</u>	<u>\$ (28.1)</u>	<u>149.9</u>
Net Position, beginning of the year, as previously reported	1,738.6		1,616.8		1,529.4
Prior Period Adjustment - Due to Related Party	-		-		(62.5)
Net Position - beginning of the year, as adjusted	<u>1,738.6</u>		<u>1,616.8</u>		<u>1,466.9</u>
Net Position End of Year	<u>\$ 1,848.2</u>		<u>\$ 1,738.6</u>		<u>\$ 1,616.8</u>

(Totals may not add due to rounding.)

In fiscal year 2017, Operating Revenues decreased by \$38.8 million (-22.0%). In fiscal year 2016, Operating Revenues increased by \$49.7 million (39.4%). While Wholesale Delivery Charge revenues have remained consistent over the years, Other Revenues increased in fiscal year 2016 \$45.8 million (864.3%) from a one-time sale of water to the Metropolitan Water District of Southern California.

The Personnel and Related expenses for fiscal year 2017 decreased \$0.3 million (-0.5%) due to more retirements and a slight shift of efforts from SNWA to LVVWD. The Personnel and Related expenses for fiscal year 2016 increased \$6.3 million (12.6%), which is due to a greater allocation of salaries and wages from the LVVWD.

Energy costs decreased \$2.7 million (-6.9%) in fiscal year 2017 when compared to fiscal year 2016, which was primarily due to decreases in per unit energy costs. Energy costs increased \$4.3 million (12.2%) in fiscal year 2016 when compared to fiscal year 2015, which is mainly attributable to higher energy demands.

SOUTHERN NEVADA WATER AUTHORITY

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For the fiscal years ended June 30, 2017 and 2016

Depreciation expenses increased \$6.6 million (7.3%) and \$15.0 million (19.9%) for the fiscal years 2017 and 2016, respectively. The increases resulted from a large amount of capital assets that were put into service, the largest of which relate to the third intake and tunnel projects.

Operating and Maintenance expenses increased \$34.5 million (87.6%) in fiscal year 2017 and decreased \$3.1 million (-7.3%) in fiscal year 2016. The increase in 2017 is primarily attributable to projects in Construction Work in Progress that were reclassified. The decrease in 2016 is mainly explained by the cancellation of a geothermal resource development project in Construction Work in Progress in fiscal year 2015.

Nonoperating revenue increased \$15.8 million (391.0%) in fiscal year 2017, mainly related to the gain on the sale of the SNWA's 25% stake in the Silverhawk Generation Station. Nonoperating revenue increased \$2.4 million (140.1%) in fiscal year 2016, primarily due to an increase in investment earnings as a result of more funds available for investment related to the \$520.0 million raised from a bond issuance.

Nonoperating expenses decreased \$17.4 million (-13.0%) in fiscal year 2017, mainly due to bond refunding activities. Nonoperating expenses increased \$76.4 million (134.4%) in fiscal year 2016, mainly because the portion of interest to be capitalized significantly decreased as large projects in Construction Work in Progress were put into service.

Capital Contributions increased \$31.5 million (10.5%) in fiscal year 2017 and increased \$18.8 million (6.7%) in fiscal year 2016. These increases are explained by further implementation of rate increases and improved Regional Connection Charges due to an improved local economy.

Capital Asset and Debt Administration

Capital Assets. As of June 30, 2017, the SNWA had net capital assets of \$4.6 billion, which included land, transmission and distribution lines, pumping stations and equipment, treatment facilities, water rights, and other natural resources rights. Major construction expenditures in fiscal year 2017 totaled \$193.0 million. Contract commitments total \$292.5 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 2017, the SNWA had debt totaling \$3.8 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 remains favorable. The economic environment of Las Vegas and Clark County has improved steadily over the past several 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. Since then, growth has returned to the area, but at a more reasonable pace 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 ensure the SNWA's financial stability.

One of the greatest challenges currently facing Southern Nevada continues to be the multi-year drought affecting the Colorado River Basin. The amount of water in Lake Mead has declined substantially since the year 2000. As of June 30 2017, the lake level was 1,080 feet, which is 38% of capacity. 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 mitigate impacts of the drought. The SNWA completed the third intake into Lake Mead and is currently constructing a low lake level pumping station to help ensure continued access to its Colorado River allocation should lake levels continue to decline.

In 2014, the SNWA engaged a citizens' advisory committee to review drought conditions on the Colorado River and their impact on Southern Nevada's water supply. That committee made formal recommendations to the Board in

SOUTHERN NEVADA WATER AUTHORITY

Management's Discussion and Analysis
For the fiscal years ended June 30, 2017 and 2016

November 2014. On December 10, 2014, the Board adopted those recommendations. Among those recommendations were (1) to construct a new low lake level pumping station and (2) increase the Regional Infrastructure Charge rates to fund the new low lake level pumping station, projected to cost \$650.0 million. Although this project is ongoing and will take a few more years to complete, it still constitute a significant portion of next year's goals.

Requests for Information

This financial report is designed to provide a general overview of the SNWA's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Southern Nevada Water Authority, 1001 South Valley View Boulevard, Mail Stop 480, Las Vegas, Nevada, 89153.

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

SOUTHERN NEVADA WATER AUTHORITY
ENTERPRISE FUND
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2017 AND 2016

ASSETS	2017	2016
CURRENT ASSETS		
Current Assets - Restricted		
Investments	\$ 488,154,448	\$ 535,735,063
Sales Tax Receivable	17,295,905	16,450,645
Total Current Assets - Restricted	505,450,353	552,185,708
Current Assets - Unrestricted		
Cash and Cash Equivalents	26,335,125	29,380,229
Investments	405,905,237	393,331,388
Due From Member Agencies	46,821,885	41,078,027
Other Receivables	2,639,023	2,981,344
Other Current Assets	38,004,366	47,552,122
Total Current Assets - Unrestricted	519,705,636	514,323,110
Total Current Assets	1,025,155,989	1,066,508,818
NONCURRENT ASSETS		
Capital Assets		
Capital Assets Subject to Depreciation		
Property, Plant and Equipment	4,301,473,158	4,370,802,831
Accumulated Depreciation	(1,233,840,905)	(1,181,350,555)
Net Capital Assets Subject to Depreciation	3,067,632,253	3,189,452,276
Capital Assets Not Subject to Depreciation		
Land	148,162,139	142,164,137
Natural Resource Rights	504,654,344	499,715,379
Construction Work in Progress	886,612,738	736,327,596
Net Capital Assets Not Subject to Depreciation		
Depreciation	1,539,429,221	1,378,207,112
Total Net Capital Assets	4,607,061,474	4,567,659,388
Other Noncurrent Assets		
Water Recharge Inventory	86,052,728	86,153,987
Total Noncurrent Assets	4,693,114,202	4,653,813,375
TOTAL ASSETS	5,718,270,191	5,720,322,193
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount - Bond Refundings	79,867,112	75,248,489
Deferred Amount - Related Party	2,429,542	10,815,978
Total Deferred Outflows of Resources	82,296,654	86,064,467
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 5,800,566,845	\$ 5,806,386,660

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

SOUTHERN NEVADA WATER AUTHORITY

ENTERPRISE FUND

STATEMENTS OF NET POSITION

AS OF JUNE 30, 2017 AND 2016

LIABILITIES AND NET POSITION	2017	2016
CURRENT LIABILITIES		
Accounts Payable	\$ 27,582,074	\$ 20,674,652
Accrued Interest Payable	15,537,581	20,112,588
Current Portion of Notes Payable	1,387,898	1,339,977
Current Portion of Bonds Payable	110,701,540	104,841,540
Short-Term Debt Payable	400,000,000	400,000,000
Total Current Liabilities	555,209,093	546,968,757
NONCURRENT LIABILITIES		
Due to Related Party	74,958,737	80,611,281
Notes Payable, Net of Current Portion	3,936,737	5,324,635
Bonds Payable, Net of Current Portion, and Unamortized Premiums and Discounts	3,301,556,816	3,416,952,828
Total Noncurrent Liabilities	3,380,452,290	3,502,888,744
TOTAL LIABILITIES	3,935,661,383	4,049,857,501
DEFERRED INFLOWS OF RESOURCES		
Deferred Amount - Bond Refundings	16,754,422	17,951,166
NET POSITION		
Net Investments in Capital Assets	1,258,221,454	1,198,480,405
Restricted for Debt Service / Capital Assets	65,386,843	15,769,806
Unrestricted	524,542,743	524,327,782
Total Net Position	1,848,151,040	1,738,577,993
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 5,800,566,845	\$ 5,806,386,660

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

SOUTHERN NEVADA WATER AUTHORITY
ENTERPRISE FUND
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
OPERATING REVENUES		
Wholesale Delivery Charges	\$ 130,115,594	\$ 125,054,059
Groundwater Management Fees	886,929	928,893
Administration Costs Recoveries	625,349	551,852
Las Vegas Wash Revenues	356,365	411,893
Other Revenues	5,389,896	49,201,788
Total Operating Revenues	137,374,133	176,148,485
OPERATING EXPENSES		
Personnel and Related	55,987,034	56,252,596
Energy	36,631,385	39,333,766
Depreciation	97,423,714	90,824,289
Operating and Maintenance	73,839,764	39,349,790
Total Operating Expenses	263,881,897	225,760,441
OPERATING LOSS	(126,507,764)	(49,611,956)
NONOPERATING REVENUES (EXPENSES)		
Investment Income	955,013	3,852,256
Interest Expense (Net of BAB Subsidy of \$2,081,998 and \$2,071,952)	(124,651,755)	(134,359,904)
Amortization of Refunding Costs	(3,737,630)	(4,581,254)
Bond Issue and Commercial Paper Costs	(5,569,998)	(4,378,509)
Amortization of Bond Premiums and Discounts	18,002,315	10,008,610
Gain on Sale of Assets	18,935,983	198,903
Total Nonoperating Revenues (Expenses)	(96,066,072)	(129,259,898)
LOSS BEFORE CAPITAL CONTRIBUTIONS	(222,573,836)	(178,871,854)
Capital Contributions	332,146,883	300,691,026
CHANGE IN NET POSITION	109,573,047	121,819,172
NET POSITION - BEGINNING OF THE YEAR	1,738,577,993	1,616,758,821
NET POSITION - END OF THE YEAR	\$ 1,848,151,040	\$ 1,738,577,993

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, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
General and Administrative / Resources Charges	\$ 3,577,279	\$ 46,883,737
Groundwater Management Fees	886,929	928,893
Las Vegas Wash Revenues	356,365	411,893
Wholesale Delivery Charges	129,436,759	124,618,354
Other Revenues	2,426,532	2,897,024
Cash Payments to Suppliers of Goods and Services	<u>(137,374,766)</u>	<u>(109,221,242)</u>
Net Cash Provided by (Used In) Operating Activities	<u>(690,902)</u>	<u>66,518,659</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase or Construction of Capital Assets	(169,046,968)	(127,721,382)
Proceeds from Disposal of Property and Equipment	76,939,276	198,903
Proceeds of Debt Issuance	-	444,545,000
Principal Paid on Debt	(106,181,517)	(84,045,251)
Interest Paid on Debt (Net of BAB Subsidy of \$2,082,181 and \$2,084,418)	(156,693,050)	(138,772,162)
Capital Contributions	<u>313,381,711</u>	<u>289,597,177</u>
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>(41,600,548)</u>	<u>383,802,285</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Investment Securities	(950,359,687)	(1,697,230,549)
Proceeds from Sales or Maturities of Investment Securities	982,141,170	1,235,417,656
Investment Earnings	<u>7,464,863</u>	<u>5,041,988</u>
Net Cash Provided by (Used In) Investing Activities	<u>39,246,346</u>	<u>(456,770,905)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,045,104)	(6,449,961)
Cash and Cash Equivalents, Beginning of Year	<u>29,380,229</u>	<u>35,830,190</u>
Cash and Cash Equivalents, End of Year	<u>\$ 26,335,125</u>	<u>\$ 29,380,229</u>
RECONCILIATION OF OPERATING LOSS		
TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Loss	\$ (126,507,764)	\$ (49,611,956)
Depreciation	97,423,714	90,824,289
Expenses Related to Expansion Programs	13,587,962	12,858,154
(Increase) decrease in operating assets		
Due from Member Agencies	464,330	869,699
Other Receivables	(530,559)	2,843,746
Other Current Assets	9,547,756	6,449,426
Water Recharge Inventory	101,257	78,909
Deferred Amount - Related Party	8,386,436	(10,815,978)
Increase (decrease) in operating liabilities		
Accounts Payable	2,488,510	75,801
Due to Related Party	<u>(5,652,544)</u>	<u>12,946,569</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ (690,902)</u>	<u>\$ 66,518,659</u>
NONCASH INVESTING, AND CAPITAL AND RELATED FINANCING ACTIVITIES:		
Changes in Fair Value of Investments	\$ 1,969,315	\$ 1,356,451
Deferred (Gain) Loss on Refunded Bonds	12,162,943	14,933,132
Refunding Bonds Issued	(615,425,000)	(317,195,000)
Bonds Refunded	691,455,000	369,430,000
Contributed Capital	(5,177,210)	1,764,305

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, 2017 and 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Southern Nevada Water Authority (SNWA) is a political subdivision of the State of Nevada (State) and is 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 (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 expenses and capital expenditures 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 based on 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 improvement programs and other expansion related programs are recorded as capital contributions. 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 years ended June 30, 2017 and 2016.

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 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. In 2008, the SNWA advanced a total of \$19.0 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 large recurring expenses 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 pension and other postemployment 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, 2017 and 2016

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 Nevada State Legislature in 1947 for 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 like 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 of more than one year when purchased are reported at estimated fair value as required by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* (Note 3).

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements
For the fiscal years ended June 30, 2017 and 2016

Restricted Assets

Restricted assets include unused bond proceeds and sales tax proceeds which are externally restricted by bond covenants and Nevada Revised Statutes, respectively.

Inventories

Inventories of supplies are recorded at cost, whereas inventories held for resale 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 \$10,000 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. During the fiscal year ended June 30 2017, the Wholesale Delivery Charge 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 2017, 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 SNWS. 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.

Nonoperating revenues consist of investment income (net of amounts capitalized) and a minimal amount of other miscellaneous items.

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.

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Nonoperating 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 monies that the SNWA receives which are restricted for use in the capital improvement programs and other expansion related 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.

New Accounting Pronouncements

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*, which is effective for fiscal years beginning after June 15, 2018. Earlier application is encouraged. The objective of this Statement is to provide financial statement users with information about asset retirement obligations that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. The SNWA is currently evaluating how the adoption of Statement No. 83 will affect the SNWA's financial position, results of operation or cash flow.

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*, which is effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged. The objective of this Statement is to address practice issues that have been identified during the implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits {OPEB}). The SNWA is currently evaluating how the adoption of Statement No. 85 will affect the SNWA's financial position, results of operation or cash flow.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*, which is effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The SNWA is currently evaluating how the adoption of Statement No. 86 will affect the SNWA's financial position, results of operation or cash flow.

In June 2017, the GASB issued Statement No. 87, *Leases*, which is effective for fiscal years beginning after December 15, 2019. Earlier application is encouraged. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistence of information about the leasing activities of governments. The SNWA is currently

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evaluating how the adoption of Statement No. 87 will affect the SNWA's financial position, results of operation or cash flow.

Other recent accounting standards issued by the GASB are not believed to have an effect on the SNWA's present or future financial position, results of operations, or cash flows.

NOTE 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of demand deposit accounts containing restricted and unrestricted cash. Cash balances as of June 30, 2017 and 2016, were \$26.3 million and \$29.4 million respectively. The SNWA bank balances as of June 30, 2017, and 2016, were \$26.8 million and \$30.5 million 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 SNWA 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.
- 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.

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- 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:

<u>Investment Type</u>	<u>Estimated Fair Value</u>	
	<u>June 30, 2017</u>	<u>June 30, 2016</u>
U.S. Agency Non-Callable Bonds	\$ 578,309,616	\$ 435,368,213
U.S. Treasury Notes	137,929,660	138,660,560
Commercial Paper	72,884,460	114,775,308
Negotiable Certificates of Deposit	64,996,100	140,055,961
U.S. Agency Discount Notes	14,999,100	79,064,780
U.S. Agency Callable Bonds	14,940,750	20,072,500
Commercial Paper Floater	10,000,000	-
Municipal Bonds	-	1,069,129
Total Estimated Fair Value	<u>\$ 894,059,685</u>	<u>\$ 929,066,451</u>

(Totals may not add due to rounding.)

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Credit Risk

As of June 30, 2017, the SNWA's investment ratings and estimated fair values were as follows:

<u>Investment Type</u>	<u>S&P</u>	<u>Moody's</u>	<u>Fair Value</u>
U.S. Agency Non-Callable Bonds	AA+	Aaa	\$ 548,424,066
Commercial Paper	A-1+	P-1	47,916,300
Negotiable Certificates of Deposit	A-1	P-1	35,007,299
Negotiable Certificates of Deposit	A-1+	P-1	29,988,801
U.S. Agency Non-Callable Bonds	Unrated	Unrated	29,885,550
Commercial Paper	A-1	P-1	24,968,160
U.S. Agency Discount Notes	A-1+	P-1	14,999,100
U.S. Agency Callable Bonds	AA+	Aaa	14,940,750
Commercial Paper Floater	A-1+	P-1	10,000,000

As of June 30, 2016, the SNWA's investment ratings and estimated fair values were as follows:

<u>Investment Type</u>	<u>S&P</u>	<u>Moody's</u>	<u>Fair Value</u>
U.S. Agency Non-Callable Bonds	AA+	Aaa	\$ 435,368,213
Negotiable Certificates of Deposit	A-1+	P-1	85,036,403
U.S. Agency Discount Notes	A-1+	P-1	64,887,400
Commercial Paper	A-1+	P-1	74,834,731
Negotiable Certificates of Deposit	A-1	P-1	55,019,558
Commercial Paper	A-1	P-1	39,940,577
U.S. Agency Callable Bonds	AA+	Aaa	20,072,500
U.S. Agency Discount Notes	Unrated	Unrated	14,177,380
Municipal Bonds	AA-	A1	1,069,129

Concentration of Credit Risk

As of June 30, 2017, the following investments individually comprise 5% or more of the SNWA's total investment portfolio.

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Investments</u>
Federal Farm Credit Bank	U.S. Agency Bonds	24%
Federal Home Loan Mortgage Corporation	U.S. Agency Bonds	20%
Federal National Mortgage Association	U.S. Agency Bonds	11%
Federal Home Loan Bank	U.S. Agency Bonds	11%

As of June 30, 2016, the following investments individually comprise 5% or more of the SNWA's total investment portfolio.

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Investments</u>
Federal Home Loan Bank	U.S. Agency Bonds	23%
Federal Home Loan Mortgage Corporation	U.S. Agency Bonds	15%
Federal Farm Credit Bank	U.S. Agency Bonds	11%
Federal National Mortgage Association	U.S. Agency Bonds	7%

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Interest Rate Risk

As of June 30, 2017, the SNWA's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
U.S. Agency Non-Callable Bonds	\$ 578,309,616	564
U.S. Treasury Notes	137,929,660	576
Commercial Paper	72,884,460	47
Negotiable Certificates of Deposit	64,996,100	122
U.S. Agency Discount Notes	14,999,100	4
U.S. Agency Callable Bonds	14,940,750	1,795
Commercial Paper Floater	10,000,000	34
Total Fair Value	<u>\$ 894,059,685</u>	
Portfolio Weighted Average Maturity		497
<i>(Totals may not add due to rounding.)</i>		

As of June 30, 2016, the SNWA's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
U.S. Agency Non-Callable Bonds	\$ 435,368,213	445
Negotiable Certificates of Deposit	140,055,961	134
U.S. Treasury Notes	138,660,560	416
Commercial Paper	114,775,308	97
U.S. Agency Discount Notes	79,064,780	125
U.S. Agency Callable Bonds	20,072,500	907
Municipal Bonds	1,069,129	714
Total Fair Value	<u>\$ 929,066,451</u>	
Portfolio Weighted Average Maturity		334
<i>(Totals may not add due to rounding.)</i>		

Fair Value Measurement

GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value, establishes a framework for measuring fair value, and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

- Level 1. Inputs are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2. Inputs are other observable inputs.
- Level 3. Inputs are unobservable.

The fair value measurement level within the hierarchy is based on the lowest level of any input that is deemed significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

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Notes to Basic Financial Statements
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The SNWA's Level 1 investments were valued based on quoted market prices provided by recognized broker dealers and its Level 2 investments were valued by recognized broker dealers based on a matrix pricing model that maximizes the uses of observable inputs for similar securities.

At June 30, 2017, the SNWA had the following fair value classifications by investment level:

	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs
	<u>June 30, 2017</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Investments by Fair Value Level				
U.S. Agency Non-Callable Bonds	\$ 578,309,616	\$ -	\$ 578,309,616	\$ -
U.S. Treasury Notes	137,929,660	137,929,660	-	-
Commercial Paper	72,884,460	-	72,884,460	-
Negotiable Certificates of Deposits	64,996,100	-	64,996,100	-
U.S. Agency Discount Notes	14,999,100	14,999,100	-	-
U.S. Agency Callable Bonds	14,940,750	-	14,940,750	-
Commercial Paper Floater	10,000,000	-	10,000,000	-
Total Investments	<u>\$ 894,059,685</u>	<u>\$ 152,928,760</u>	<u>\$ 741,130,925</u>	<u>\$ -</u>
<i>(Totals may not add due to rounding.)</i>				

At June 30, 2016, the SNWA had the following fair value classifications by investment level:

	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs
	<u>June 30, 2016</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Investments by Fair Value Level				
U.S. Agency Non-Callable Bonds	\$ 435,368,213	\$ -	\$ 435,368,213	\$ -
Negotiable Certificates of Deposits	140,055,961	-	140,055,961	-
U.S. Treasury Notes	138,660,560	138,660,560	-	-
Commercial Paper	114,775,308	-	114,775,308	-
U.S. Agency Discount Notes	64,887,400	64,887,400	-	-
U.S. Agency Callable Bonds	20,072,500	-	20,072,500	-
U.S. Agency Discount Notes	14,177,380	-	14,177,380	-
Municipal Bonds	1,069,129	-	1,069,129	-
Total Investments	<u>\$ 929,066,451</u>	<u>\$ 203,547,960</u>	<u>\$ 725,518,491</u>	<u>\$ -</u>
<i>(Totals may not add due to rounding.)</i>				

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 Regional Reliability Surcharges (the latter two

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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, 2017 and 2016, those net amounts shown in the sums below were \$4.9 million and \$6.0 million, 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, 2017 and 2016, the following amounts were due from the SNWA's member agencies:

Member Agency	June 30, 2017	June 30, 2016
Las Vegas Valley Water District	\$ 30,315,483	\$ 28,670,507
City of Henderson	6,701,305	6,110,938
City of North Las Vegas	9,240,654	5,709,151
City of Boulder City	475,245	483,705
Nellis Air Force Base	44,121	59,661
Big Bend Water District	45,076	44,065
Total due from Member Agencies	\$ 46,821,885	\$ 41,078,027

(Totals may not add due to rounding.)

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, 2017 and 2016:

Type	June 30, 2017	June 30, 2016
Current Receivables - Restricted		
State of Nevada - Department of Taxation	\$ 17,295,905	\$ 16,450,645
Current Receivables - Unrestricted		
Southern Nevada Public Lands Management Act	-	1,550,382
Accrued Investment Earnings	1,707,741	1,030,056
Grants Receivable	756,290	230,052
BAB Subsidy Receivable	170,671	170,854
Other Receivable	4,321	-
Total Current Receivables - Unrestricted	2,639,023	2,981,344
Total Current Receivables	\$ 19,934,928	\$ 19,431,989

(Totals may not add due to rounding.)

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For the fiscal years ended June 30, 2017 and 2016

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 \$9.5 million (20.1%) decrease 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 as of June 30, 2017 and 2016:

<u>Type</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Prepaid Power	\$ 35,536,247	\$ 45,235,968
Prepaid Leases	711,708	1,028,292
Ranch Inventory	1,249,346	766,291
Prepaid Insurance	507,065	521,571
Total Other Current Assets	<u>\$ 38,004,366</u>	<u>\$ 47,552,122</u>

(Totals may not add due to rounding.)

NOTE 7. CAPITAL ASSETS

The following capital assets schedules summarize changes in major categories of capital assets for fiscal years ended June 30, 2017 and 2016. Natural resource 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, 2017 and 2016

Capital Assets June 30, 2017

Capital Assets Category	Balance at June 30, 2016	Additions	Cost Adjustments	Retirements/ Transfers	Balance at June 30, 2017
Capital Assets Subject to Depreciation					
Structures and Improvements	\$ 780,771,907	\$ 21,103,240	\$ 4,235,083	\$ -	\$ 806,110,230
Pumping Stations and Wells	639,083,226	199,328	83,520	6,975	639,373,049
Transmission/Distribution/Mains	2,697,189,482	-	2,995	-	2,697,192,477
Office Furniture and Equipment	122,224,829	1,632,171	2,632,482	(159,435)	126,330,047
Transportation/Work/Equipment	6,446,000	931,604	126,931	(372,154)	7,132,380
Power Plant	101,854,657	-	-	(101,854,657)	-
Northern Resources Assets	23,232,730	1,589,524	1,118,080	(605,358)	25,334,976
Total Capital Assets Subject to Depreciation	4,370,802,831	25,455,866	8,199,091	(102,984,630)	4,301,473,158
Accumulated Depreciation					
Structures and Improvements	404,116,148	37,277,917	-	-	441,394,066
Pumping Stations and Wells	203,348,674	15,523,804	-	-	218,872,478
Transmission/Distribution/Mains	411,297,796	36,544,700	-	-	447,842,496
Office Furniture and Equipment	100,708,333	3,495,220	-	(156,712)	104,046,841
Transportation/Work/Equipment	5,279,500	442,412	-	(372,154)	5,349,757
Power Plant	41,307,720	2,546,366	-	(43,854,087)	-
Northern Resources Assets	15,292,384	1,593,295	-	(550,411)	16,335,267
Total Accumulated Depreciation	1,181,350,555	97,423,714	-	(44,933,364)	1,233,840,905
Net Capital Assets Subject to Depreciation	3,189,452,276	(71,967,849)	8,199,091	(58,051,266)	3,067,632,253
Capital Assets Not Subject to Depreciation					
Land and Land Rights	142,164,137	5,998,002	-	-	148,162,139
Natural Resource Rights	499,715,379	1,126,184	-	3,812,780	504,654,344
Construction Work In Progress	736,327,596	206,736,342	-	(56,451,199)	886,612,738
Net Capital Assets Not Subject to Depreciation	1,378,207,112	213,860,528	-	(52,638,418)	1,539,429,221
Total Net Capital Assets	\$ 4,567,659,388	\$ 141,892,679	\$ 8,199,091	\$ (110,689,684)	\$ 4,607,061,474

Capital Assets June 30, 2016

Capital Assets Category	Balance at June 30, 2015	Additions	Cost Adjustments	Retirements/ Transfers	Balance at June 30, 2016
Capital Assets Subject to Depreciation					
Structures and Improvements	\$ 742,179,790	\$ 37,270,164	\$ 1,321,955	\$ -	\$ 780,771,907
Pumping Stations and Wells	638,660,971	433,553	-	(11,298)	639,083,226
Transmission/Distribution/Mains	1,428,332,042	1,268,833,863	23,576	-	2,697,189,482
Office Furniture and Equipment	118,295,221	1,931,674	2,054,305	(56,371)	122,224,829
Transportation/Work/Equipment	6,339,416	782,244	11,295	(686,955)	6,446,000
Power Plant	101,854,657	-	-	-	101,854,657
Northern Resources Assets	22,037,189	733,226	573,242	(110,928)	23,232,730
Total Capital Assets Subject to Depreciation	3,057,699,286	1,309,984,724	3,984,374	(865,552)	4,370,802,831
Accumulated Depreciation					
Structures and Improvements	369,767,330	34,348,818	-	-	404,116,148
Pumping Stations and Wells	187,852,194	15,507,779	-	(11,298)	203,348,674
Transmission/Distribution/Mains	378,982,691	32,315,105	-	-	411,297,796
Office Furniture and Equipment	97,372,867	3,391,837	-	(56,371)	100,708,333
Transportation/Work/Equipment	5,621,127	345,328	-	(686,955)	5,279,500
Power Plant	37,912,565	3,395,155	-	-	41,307,720
Northern Resources Assets	13,883,044	1,520,268	-	(110,928)	15,292,384
Total Accumulated Depreciation	1,091,391,818	90,824,289	-	(865,552)	1,181,350,555
Net Capital Assets Subject to Depreciation	1,966,307,468	1,219,160,435	3,984,374	-	3,189,452,276
Capital Assets Not Subject to Depreciation					
Land and Land Rights	118,709,095	4,789,968	-	18,665,073	142,164,137
Natural Resource Rights	394,798,979	1,068,014	-	103,848,387	499,715,379
Construction Work In Progress	1,972,520,947	220,589,683	-	(1,456,783,034)	736,327,596
Net Capital Assets Not Subject to Depreciation	2,486,029,021	226,447,664	-	(1,334,269,574)	1,378,207,112
Total Net Capital Assets	\$ 4,452,336,489	\$ 1,445,608,099	\$ 3,984,374	\$ (1,334,269,574)	\$ 4,567,659,388

(Totals may not add due to rounding.)

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Notes to Basic Financial Statements
For the fiscal years ended June 30, 2017 and 2016

NOTE 8. NATURAL RESOURCE 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 (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 \$100.0 million and payments of \$23.0 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 the SNWA approved an amendment to the 2001 Banking Agreement in May 2013 that relieved the SNWA from its obligation to pay the AWBA \$217.3 million 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, 2017, the SNWA has capitalized a total of \$136.0 million related to the AWBA.

Drop 2 / Brock Storage Reservoir Water Rights

In 2005, the Bureau of Reclamation completed a study of potential alternatives for replacing lost storage capacity, reducing excess deliveries to Mexico, and improving lower river operational control. It was determined that building a small reservoir near the All-American Canal was the best alternative.

In return for funding \$99.8 million to design and construct the Drop 2 Reservoir, the SNWA would receive the right to 400,000 AF of System Efficiency Intentionally Created Surplus. This water would be able to be utilized by the SNWA through 2036 at a maximum rate of 40,000 acre-feet per year (AFY).

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

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with the properties. Through June 30, 2012, the SNWA acquired more than 33,000 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 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, 2017, the SNWA owned permits equivalent to 46,180 AUMs and lease another 2,050 AUMs for a total of 48,230 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, 2017, 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, 2017, the SNWA has capitalized \$65.9 million of costs related to the acquisition of Muddy River Water Rights.

Hydropower Rights

The CRC was created in 1935 for 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.

The SNWA's hydropower portfolio consists of power that is generated at Hoover, Parker, and Davis Dams. The SNWA's initial contract for Hoover power expires on September 30, 2017, and the SNWA plans to enter into a new contract to purchase Hoover power from CRC effective October 1, 2017, for a 50-year term. The SNWA received an additional allocation of Hoover power from the CRC in 2016 bringing the SNWA's total contract allocation of Hoover power to 17,146 kW of contingent capacity and 79,349,211 kWh per year of firm energy during the term of October 1, 2017 through September 30, 2067. The SNWA also receives a maximum of 9,456 kW per year of capacity that is generated at Parker and Davis Dams and 34,381,632 kWh of firm energy. The SNWA's Parker-Davis contract with the CRC expires in 2028. Accordingly, the hydropower is considered a perpetual resource.

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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, 2017, the SNWA has capitalized \$39.6 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, 2017, 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, 2017, 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.

Cave Valley Hydrologic Basin Water Rights

In 2008, the State Engineer (SE) issued a ruling that granted the SNWA 18,755 AFY from Delamar, Dry Lake, and Cave Valley hydrologic basins. Cave Valley Ranch, LLC (CVR) filed protests to the applications which ultimately concluded with a settlement between CVR, the SE, and the SNWA.

In 2009, a settlement agreement between the SNWA and CVR in the amount of \$4,050,000 grants the SNWA 4,678 AFY in the Cave Valley Hydrologic Basin.

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.

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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.

As of June 30, 2017, the SNWA has capitalized \$1.2 million associated with the GMP.

The following table summarizes the amounts capitalized related to natural resource rights as of June 30, 2017 and 2016:

Type	June 30, 2017	June 30, 2016
Arizona Water Bank	\$ 135,958,572	\$ 134,939,572
Drop 2 / Brock Storage Reservoir Water Rights	99,797,437	99,797,437
Northern Resource Property and Rights	62,165,559	62,165,559
Muddy River Water Rights	65,946,976	62,134,195
Hydropower Rights	53,000,000	53,000,000
Virgin River Water Rights Development	39,556,880	39,449,696
Coyote Springs Water Rights	30,884,687	30,884,687
In-State Water Projects	10,134,854	10,134,854
Cave Valley Hydrographic Basin Water Rights	4,050,950	4,050,950
Other Water Rights	2,000,000	2,000,000
Groundwater Management Program	1,158,430	1,158,430
Total Natural Resource Rights	<u>\$ 504,654,344</u>	<u>\$ 499,715,379</u>

(Totals may not add due to rounding.)

NOTE 9. CONSTRUCTION WORK 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 1,015 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 runoff water from the Las Vegas Valley into Lake Mead. Each of these capital projects are 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 constructing a capital project, including ancillary costs directly related to construction projects, are recorded as Construction Work in Progress (CWIP). When a project is finished, an agenda item is brought before the Board to accept the project as complete. With the Board's acceptance, associated CWIP costs are closed out and allocated to 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

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purchased water that may be delivered to Nevada via the Colorado River. In 2008, the CIP was amended to add funds to construct Lake Mead Intake No. 3 bringing the gross authorized amount of the CIP to \$2.9 billion.

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

In 2002, 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 May 21, 2015, primarily to authorize design and construction of the new Low Lake Level Pumping Station at an estimated cost of \$650 million. This amended MCCP also updates costs and schedules for numerous other projects and includes details for \$2.6 billion of completed projects, \$2.6 billion of active projects, and \$0.1 billion of deferred projects.

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 (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 of 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 was most recently revised and approved by the Board on May 19, 2016, includes future projects totaling approximately \$24.3 million. Of that amount, about \$22.9 million (94.4%) is for construction of facilities. The remaining \$1.4 million (5.6%) is for 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 \$28.0 million and \$9.3 million of interest expense, which was partially offset by \$4.0 million and \$1.0 million of interest income, in the fiscal years ended June 30, 2017 and 2016, respectively.

The following shows the Construction Work in Progress balance as of June 30, 2017 and 2016:

Type	June 30, 2017	June 30, 2016
Major Construction and Capital Plan	\$ 548,140,607	\$ 429,491,910
Las Vegas Wash Capital Improvement Plan	6,963,208	16,990,449
Indirect Costs	331,508,924	289,845,237
Total Construction Work In Progress	<u>\$ 886,612,738</u>	<u>\$ 736,327,596</u>

(Totals may not add due to rounding.)

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, 2017, the SNWA has paid \$86.1 million net of sales for 344,908 AF of storage.

NOTE 11. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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 outflows of resources or deferred inflows 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 on the deferred amount - bond refundings are being amortized over the life of the associated debt. As of June 30, 2017, deferred outflows of resources related to bond refundings was \$79.9 million.

In fiscal year 2016, the SNWA set up the deferred amount - related party to account for the net difference between projected and actual earnings in the pension trust fund held by the LVVWD. As of June 30, 2017, deferred amount - related party is \$2.4 million.

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The total deferred outflows of resources as of June 30, 2017 and 2016 are \$82.3 million and \$86.1 million, respectively. The net decrease in fiscal year 2017 of \$3.8 million resulted from the decrease of \$8.4 million related to deferred amount - related party, which includes deferred amount related to pension due to LVVWD, which was offset by the increase of \$4.6 million related to the deferred amount on the three bond refundings that occurred during fiscal year 2017. Deferred inflows of resources as of June 30, 2017 and 2016 are \$16.8 million and \$18.0 million, respectively. The decrease in fiscal year 2017 resulted from normal amortization.

NOTE 12. ACCOUNTS PAYABLE

Accounts payable balances by category as of June 30, 2017 and 2016 are as follows:

Type	June 30, 2017	June 30, 2016
Construction Contracts and Administration	\$ 15,710,919	\$ 16,674,581
Construction Contracts Retention	9,016,222	3,633,648
Administration Expenses	2,854,933	366,423
Total Accounts Payable	<u>\$ 27,582,074</u>	<u>\$ 20,674,652</u>

(Totals may not add due to rounding.)

As discussed in Note 1, the SNWA advanced \$19.0 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, 2017, \$4.9 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

Construction Contracts

In connection with its two capital improvement 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, 2017, the SNWA had construction contract commitments totaling approximately \$292.5 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.

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 at 100 City Parkway in downtown Las Vegas. The original agreement 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. On 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. On November 19, 2015, the purchase option on the remaining 52,994 was exercised. The SNWA continues to lease billboard space from the Molasky Corporate Center. The SNWA leases 34,898 square feet to the LVVWD and 3,000 square feet to Faiss Foley Warren (see Lease Receivables below). For the fiscal years ended June 30, 2017 and 2016, the SNWA paid \$2.0 million and \$3.4 million on the lease and associated fees.

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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 (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 May 2014, the Board approved agreements extending expired leases through September 30, 2016. In 2016, the Board approved new ten-year lease agreements through September 30, 2026 which contain an annual escalation factor of 3%. The rates for the new leases are 48.39% - 59.01% lower per AF than the original leases.

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 January 2017, the Board approved an agreement with the Moapa Band of Paiute Indians (Tribe) allowing the SNWA to sublease surface water rights for the creation of Tributary Conservation Intentionally Created Surplus (ICS). The ten-year lease agreement allows the SNWA to sublease 3,000 AF per year of the Tribe's MVIC water rights for \$119 per AF with an annual escalation factor of 3%.

In July 2013, the Board approved an agreement with the Nevada Department of Wildlife (NDOW) to lease 700 Animal Unit Months (AUMs) for grazing privileges or pasture rights for cattle within the boundaries of the Steptoe Valley Wildlife Management Area, which is administered by NDOW. The agreement will be utilized between July 15 and October 31 for five one-year periods, for an amount not to exceed \$61,257 per year.

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 minimum rental payments due under the terms of the lease contracts described above.

Fiscal Year							
Ending June 30	Molasky	CPB	Mesquite	MVIC	Tribe	NDOW	Total
2018	\$ 45,667	\$ 260,130	\$ 1,643,810	\$ 560,928	\$ 362,355	\$ 61,257	\$ 2,934,147
2019	-	260,130	1,650,533	259,488	373,230	-	2,543,381
2020	-	260,130	1,700,049	267,273	384,435	-	2,611,887
2021	-	260,130	1,751,050	275,291	395,970	-	2,682,441
2022	-	260,130	1,803,582	283,550	407,850	-	2,755,112
2023-2027	-	1,170,585	7,771,879	1,550,567	1,990,380	-	12,483,411
2028-2029	-	-	-	338,573	-	-	338,573
Total Payments	<u>\$ 45,667</u>	<u>\$ 2,471,235</u>	<u>\$ 16,320,903</u>	<u>\$ 3,535,670</u>	<u>\$ 3,914,220</u>	<u>\$ 61,257</u>	<u>\$ 26,348,952</u>

(Totals may not add due to rounding.)

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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 agreement allows the LVVWD to lease 34,898 square feet of space from Molasky. The space that is being leased has an approximate carrying value of \$23.7 million, with \$8.1 million in accumulated depreciation having been taken through June 30, 2017. In addition, the LVVWD pays a share of leasehold improvements. The sublease assumes a twenty-year useful life on structural leasehold improvements and the LVVWD pays a pro-rated share of the amortized value of such improvements. The sublease contains no escalation clauses. In November 2015, the SNWA exercised its purchase option on floors twelve and fourteen, which converted the LVVWD's twenty-year sublease to a perpetual lease as long as the space is not required by the SNWA.

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 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 receiving a minimum \$6.3 million 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 allowed Faiss to lease 3,000 square feet of space and provided the option for a two-year renewal, which was exercised. In February 2016, the SNWA executed an amendment to renew the lease agreement for an additional two-year period ending in May 2018. The space owned by the SNWA that is being leased has an approximate carrying value of \$2.0 million, with \$0.7 million in accumulated depreciation having been taken through June 30, 2017. The sublease contains no escalation clauses. For the remaining period of the lease, the SNWA anticipates to receive a minimum \$66,000 of aggregate sublease payments from Faiss.

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

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

Fiscal Year Ending June 30	LVVWD	NVE	Faiss	TOTAL
2018	\$ 1,564,869	\$ 109,237	\$ 66,000	\$ 1,740,106
2019	1,564,869	112,514	-	1,677,383
2020	1,564,869	115,889	-	1,680,758
2021	1,564,869	119,366	-	1,684,235
2022	1,564,869	122,947	-	1,687,816
Total Incomes	<u>\$ 7,824,345</u>	<u>\$ 579,953</u>	<u>\$ 66,000</u>	<u>\$ 8,470,298</u>

(Totals may not add due to rounding.)

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 most its power supply

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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 agencies (see Note 19) which was formed in 2007. Its members include the City of Boulder City, Overton Power District #5, Lincoln Power District #1, CRC, and the SNWA. The SNWA and CRC staff 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 complies 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 "normal purchases and sales contracts" and are 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.

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, 2017, the SNWA had net energy contract commitments for the next ten fiscal years totaling approximately \$188.6 million, which includes its projected allocation of the SSEA net energy contract commitments.

Generating Assets

On March 31, 2017, the SNWA sold its 25.0% share of the Silverhawk Generation Station (Silverhawk) located in the Apex Industrial Park approximately 20 miles northeast of Las Vegas to NVE who was the majority owner of the 580 megawatt (MW), natural gas-fired plant. The SNWA paid 25.0% of the Silverhawk construction costs, was obligated to pay 25.0% of the operating costs and was entitled to 25.0% of the generated electricity. For the period June 1, 2013 through the sale date, the SNWA entered into an energy exchange agreement with NVE whereby NVE had the right to dispatch the plant using its professional judgment, and the SNWA received 125 MW on peak and 25 MW off peak of firm delivered power.

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

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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 \$400.0 million in TECP notes. The notes are LVVWD General Obligation (Limited Tax) and supported by SNWA revenues. Proceeds from the sale of the notes were used to fund capital expenditures of the SNWA including the purchase of water resources and a 25.0% interest in the Silverhawk Generation Station. The TECP program is supported by credit facilities, which were most recently replaced on April 4, 2017. The 2004A \$250.0 million credit facility is provided by Sumitomo Mitsui Banking Corporation and will expire on April 2, 2021. The 2004B \$150.0 million credit facility is provided by U.S. Bank National Association and will expire on April 3, 2020. The TECP notes are subject to market fluctuations as they are traded on the open market. The entire balance is currently issued and outstanding.

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

	June 30, 2017	June 30, 2016
Balance Beginning of Period	\$ 400,000,000	\$ 400,000,000
Additions	2,818,360,000	2,624,180,000
Retirements	(2,818,360,000)	(2,624,180,000)
Balance End of Period	\$ 400,000,000	\$ 400,000,000
End of Period		
Accrued Interest	\$ 429,021	\$ 193,184
Average Interest Rate	0.92%	0.46%
Number of Traunches	10	12
Smallest	\$ 500,000	\$ 6,600,000
Largest	\$ 50,000,000	\$ 150,000,000
Shortest Maturity, in days	33	34
Longest Maturity, in days	92	91

NOTE 15. DUE TO RELATED PARTY

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 liability related to postemployment benefits other than pensions (OPEB) to the SNWA. For the fiscal years ended June 30, 2017 and 2016, allocated OPEB liabilities were \$6.3 million and \$5.2 million, respectively. Additionally, effective July 1, 2014, the LVVWD implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. As a result of this implementation, the LVVWD allocated a portion of the net pension liability to the SNWA. For the fiscal years ended June 30, 2017 and 2016, the allocated net pension liabilities were \$68.7 million and \$75.4 million, respectively.

As of June 30, 2017 and 2016, due to related party balances are \$75.0 million and \$80.6 million, respectively. Although implementation of GASB Statements No. 45 and 68 is not applicable to the SNWA, the SNWA is liable to the LVVWD for a proportionate share of the OPEB and pension liabilities.

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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 contributions as needed to fund capital project construction payments on a pay-as-you-go basis.

In compliance with NRS 350.013, the SNWA submits a Debt Management Policy to the Nevada Department of Taxation annually. That required filing includes a discussion of the affordability of debt, debt capacity, and how debt will be repaid. The Debt Management Policy is also provided to Clark County and is available for review by bonding agencies and the general public. In addition, the Debt Management Policy is included in the SNWA's annual 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 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 ensure adherence.

Defeasance of Debt

Some debt issued on behalf of the SNWA has been advance refunded. In those instances, 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, 2017, one bond issue with \$83.5 million in prior year in-substance defeased debt remains 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

On August 3, 2016, Clark County on behalf of the SNWA issued Clark County 2016B refunding bonds in the original amount of \$271.7 million. Proceeds from the bonds along with the \$66.9 million of premiums were deposited into escrow to partially refund the Clark County 1106 refunding bonds. The Clark County 2016B refunding bonds pay semi-annual interest beginning November 1, 2016 continuing to November 1, 2034. At that time, the entire principal of \$271.7 million is scheduled to be paid in full. Interest on the new issue is paid semiannually on May 1 and November 1. The true interest cost 2.20%. Over the life of the bond, the issue will reduce debt payment requirements by \$84.4 million. In present value terms, this equates to a \$71.7 million savings in debt requirements.

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On March 14, 2017, LVVWD on behalf of the SNWA issued LVVWD 2017B refunding bonds in the original amount of \$22.1 million. Proceeds from the bonds along with the \$3.2 million of premiums were deposited into escrow to partially refund the LVVWD 2009B and LVVWD 2009D refunding bonds. The LVVWD 2017B refunding bonds pay semi-annual interest beginning June 1, 2017 continuing to June 1, 2032. At that time, the entire principal of \$22.1 million is scheduled to be paid in full. Interest on the new issue is paid semiannually on June 1 and December 1. The true interest cost is 2.64%. Over the life of the bond, the issue will reduce debt payment requirements by \$2.9 million. In present value terms, this equates to a \$2.4 million savings in debt requirements.

On March 22, 2017, Clark County on behalf of the SNWA issued Clark County 2017 refunding bonds in the original amount of \$321.6 million. Proceeds from the bonds along with the \$31.7 million of premiums were deposited into escrow to partially refund the Clark County 2008 refunding bonds. The Clark County 2017 refunding bonds pay semi-annual interest beginning June 1, 2017 continuing to June 1, 2038. At that time, the entire principal of \$321.6 million is scheduled to be paid in full. Interest on the new issue is paid semiannually on June 1 and December 1. The true interest cost is 3.42%. Over the life of the bond, the issue will reduce debt payment requirements by \$53.7 million. In present value terms, this equates to a \$38.7 million savings in debt requirements.

The following is a comprehensive summary of each of the outstanding long-term debt issues as of June 30, 2017.

Nevada Drinking Water State Revolving Fund Loan 1

Nevada law has created an account for the Nevada Drinking Water State 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 \$12.3 million 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.

Nevada Drinking Water State Revolving Fund Loan 2

On June 29, 2001, the SNWA received a second loan from the Nevada Drinking Water State Revolving Fund in the amount of \$10.0 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.

Clark County 1106 Refunding Bonds

These general obligation bonds in the original amount of \$604.1 million were sold on November 2, 2006. The proceeds of the bond sale were used to partially refund \$103.1 million of the Clark County 2001 series bonds, and \$97.5 million of the Clark County 2002 series bonds. The issue also generated \$392.8 million of new money which was reserved for capital expenditures. Interest on these bonds is payable semiannually on May 1 and November 1. The Clark County 1106 bonds mature annually on November 1 through 2036. \$61.3 million of the proceeds from the Clark County 2009 refunding issue, the LVVWD 2011B issue and the LVVWD 2011C issue were used to partially refund selected payments of the Clark County 1106 bonds. In addition, \$113.9 million of the proceeds from the Clark County 2016A and \$333.6 of the proceeds from the Clark County 2016B issues were also used to partially refund selected payments of the Clark County 1106 bonds. The interest rate is 2.50% to 5.00%.

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LVVWD 2008B Bonds

These general obligation bonds in the original amount of \$171.7 million were sold on February 19, 2008. The proceeds of the bond sale were used to refund \$183.4 million of the LVVWD 1998 series bonds. The LVVWD 2008B bonds mature annually on June 1 through 2026. \$51.9 million 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 3.50% to 5.00%.

Clark County 2008 Bonds

These general obligation bonds in the original amount of \$400.0 million were sold on July 2, 2008. The proceeds of the bond sale were reserved to fund capital expenditures. The original Clark County 2008 bonds mature annually on June 1 through 2038. Interest on these bonds is payable semiannually on December 1 and June 1. \$37.8 million of the proceeds from the Clark County 2009 refunding issue and the LVVWD 2011C issue were used to partially refund selected payment of the Clark County 2008 bonds. In addition, during fiscal year 2017, \$334.6 million of the proceeds from the Clark County 2017 refunding issue were used to partially refund selected payments of the Clark County 2008 bonds, which it also shortened the final maturity date of the Clark County 2008 bonds through June 1, 2018. The interest rate is 5.00%.

SNWA Clean Renewable Energy 2008 Bonds

These Clean Renewable Energy (CRE) bonds in the original amount of \$6.9 million were sold on July 30, 2008. The proceeds of the bond sale reimbursed the SNWA for investments in clean energy capital projects. The SNWA Clean Renewable Energy 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 \$90.0 million 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 Build America Bonds (BABs) as defined under the American Recovery and Reinvestment Act of 2009 (ARRA) the United States Treasury Department refunds 35.0% of all interest expense to the SNWA. On October 1, 2016, the Treasury Department lowered the refund to 32.59%. The interest rate is 7.10% before this Federal participation, and 4.79% after.

LVVWD 2009B Bonds

These general obligation bonds in the original amount of \$10.0 million were issued on August 5, 2009. The proceeds of the bond sale were reserved to fund capital expenditures. The original LVVWD 2009B bonds mature annually on June 1 through 2032. Interest on these bonds is payable semiannually on December 1 and June 1. During fiscal year 2017, \$7.7 million of the proceeds from the LVVWD 2017B refunding issue were used to partially refund selected payments of the LVVWD 2009B bonds, which it also shortened the final maturity date of the LVVWD 2009B through June 1, 2019. The interest rate is 4.00% to 5.25%.

Clark County 2009 Refunding Bonds

These general obligation bonds in the original amount of \$50.0 million 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 – Clark County 2000, Clark County 2001, Clark County 2002, Clark County 1106, and Clark County 2008. The Clark County

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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 5.00%.

State of Nevada 2009 Bonds

These general obligation 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 \$2.2 million. Semi-annual payments will be due on January 1 and July 1 with the final payment occurring on July 1, 2029. The bonds are interest free.

LVVWD 2009D Bonds

These general obligation bonds in the original amount of \$72.0 million 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. During fiscal year 2017, \$15.6 million of the proceeds from the LVVWD 2017B refunding issue were used to partially refund selected payments of the LVVWD 2009D. The interest rate is 4.25% to 5.25%.

State of Nevada 2010B Bonds

These general obligation bonds in the original amount of \$7.4 million were sold on June 24, 2010. The proceeds of the bond sale were used to fully refund the State of Nevada 1997B bonds and partially refund the State of Nevada 2003C and State of Nevada 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 3.70%.

LVVWD 2011A Refunding Bonds

These taxable general obligation bonds in the original amount of \$58.1 million were issued on May 24, 2011. Proceeds from the bonds were deposited into escrow to refund \$51.9 million 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 3.05% to 5.43%.

LVVWD 2011B Refunding Bonds

These taxable general obligation bonds in the original amount of \$129.7 million were issued on October 19, 2011. The proceeds of the bond sale were used to partially refund coupons from the following five bond series – State of Nevada 2005I, State of Nevada 2005F, State of Nevada 2006D, Clark County 2006 Refunding and Clark County 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 2.79% to 4.96%.

LVVWD 2011C Refunding Bonds

These general obligation bonds in the original amount of \$267.8 million were issued on October 19, 2011. The proceeds of the bond sale were used to partially refund coupons from the following five bond series – State of Nevada 2005F, State of Nevada 2001, Clark County 2002, Clark County 1106, and Clark County 2008—as well as fully refunding LVVWD 2003B. The LVVWD 2011C 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 2.00% to 5.00%.

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Clark County 2012 Refunding Bonds

These general obligation bonds in the original amount of \$85.0 million were issued on June 20, 2012. The proceeds of the bond sale were used to completely refund the Clark County 2001 and the Clark County 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 4.00% to 5.00%.

LVVWD 2012B Bonds

These general obligation bonds in the original amount of \$360.0 million 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 3.00% to 5.00%.

State of Nevada 2013 Refunding Bonds

These general obligation bonds in the original amount of \$21.7 million were issued on February 20, 2013. The proceeds of the bond sale were used to fully refund the State of Nevada 1998 bond. The State of Nevada 2013 refunding bonds have one principal payment scheduled for August 1, 2027. Interest on the bonds is payable semiannually on August 1 and February 1. The interest rate is 3.00%.

LVVWD 2015 Refunding Bonds

These general obligation bonds in the original amount of \$332.4 million were issued on January 13, 2015. The proceeds of the bond sale were used to completely refund the LVVWD 2009C Bonds. The LVVWD 2015 refunding bonds mature annually beginning June 1, 2031 and continue through June 1, 2039. Interest on these bonds is paid semiannually on December 1 and June 1. The interest rate is 4.00% to 5.00%.

LVVWD 2015B Refunding Bonds

These general obligation bonds in the original amount of \$177.6 million were issued on June 1, 2015. The proceeds of the bond sale were used to completely refund the State of Nevada 2005F and State of Nevada 2005H bonds. The LVVWD 2015B refunding bonds mature annually beginning December 1, 2016 and continue through December 1, 2027. Interest on these bonds is paid semiannually on December 1 and June 1. The interest rate is 4.00% to 5.00%.

LVVWD 2015C Refunding Bonds

These general obligation bonds in the original amount of \$42.1 million were issued on June 18, 2015. The proceeds of the bond sale were used to completely refund the State of Nevada 2005I bonds. The LVVWD 2015C refunding bonds mature annually beginning September 15, 2016 and continue through September 15, 2029. Interest on these bonds is paid semiannually on September 15 and March 15. The interest rate is 3.00% to 5.00%.

Clark County 2016A Refunding Bonds

These general obligation bonds in the original amount of \$264.0 million were issued on March 3, 2016. The proceeds of the bond sale were used to partially refund the Clark County 2006 and Clark County 1106 refunding bonds. The Clark County 2016A refunding bonds mature annually beginning November 1, 2016 and continue through November 1, 2029. Interest on these bonds is paid semiannually on May 1 and November 1. The interest rate 5.00%.

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LVVWD 2016A Refunding Bonds

These general obligation bonds in the original amount of \$497.8 million were issued on April 6, 2016. The proceeds of the bond sale were used to partially refund the State of Nevada 2006D refunding bonds. This issue also generated \$520.0 million of new money which was reserved for capital expenditures. The LVVWD 2016A refunding bonds mature annually beginning June 1, 2017 and continue through June 1, 2046. Interest on these bonds is paid semiannually on December 1 and June 1. The interest rate is 3.00% to 5.00%.

Clark County 2016B Refunding Bonds

These general obligation bonds in the original amount of \$271.7 million were issued on August 3, 2016. The proceeds of the bond sale were used to partially refund the Clark County 1106 refunding bonds. The Clark County 2016B refunding bonds mature annually beginning November 1, 2017 and continue through November 1, 2034. Interest on these bonds is paid semiannually on May 1 and November 1. The interest rate is 4.00% to 5.00%.

LVVWD 2017B Refunding Bonds

These general obligation bonds in the original amount of \$22.1 million were issued on March 14, 2017. The proceeds of the bond sale were used to partially refund the LVVWD 2009B and LVVWD 2009D refunding bonds. The LVVWD 2017B refunding bonds mature annually beginning June 1, 2020 and continue through June 1, 2032. Interest on these bonds is paid semiannually on June 1 and December 1. The interest rate is 3.00% to 5.00%.

Clark County 2017 Refunding Bonds

These general obligation bonds in the original amount of \$321.6 million were issued on March 22, 2017. The proceeds of the bond sale were used to partially refund the Clark County 2008 refunding bonds. The Clark County 2017 refunding bonds mature annually beginning June 1, 2019 and continue through June 1, 2038. Interest on these bonds is paid semiannually on June 1 and December 1. The interest rate is 4.00% to 5.00%.

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The following schedules present changes in long-term debt issues and composition of outstanding debt for the fiscal years ended June 30, 2017 and June 30, 2016.

Outstanding Debt Activity, June 30, 2017

Debt Issue	Beginning Balance	Additions	Retirements	Ending Balance
Long-Term Debt				
State Revolving Fund Loan 1	\$ 3,201,207	\$ -	\$ (757,878)	\$ 2,443,330
State Revolving Fund Loan 2	3,463,404	-	(582,099)	2,881,305
Subtotal Notes Payable	6,664,611	-	(1,339,978)	5,324,635
Clark County 1106	419,135,000	-	(349,590,000)	69,545,000
LVVWD 2008B	105,890,000	-	(8,420,000)	97,470,000
Clark County 2008	353,415,000	-	(343,780,000)	9,635,000
SNWA CRE 2008	3,220,000	-	(460,000)	2,760,000
LVVWD 2009A	90,000,000	-	-	90,000,000
LVVWD 2009B	8,905,000	-	(8,070,000)	835,000
Clark County 2009	42,335,000	-	(2,160,000)	40,175,000
State of Nevada 2009	1,708,295	-	(126,540)	1,581,755
LVVWD 2009D	59,975,000	-	(18,985,000)	40,990,000
State of Nevada 2010B	4,460,000	-	(1,055,000)	3,405,000
LVVWD 2011A	53,755,000	-	(4,400,000)	49,355,000
LVVWD 2011B	120,430,000	-	(9,475,000)	110,955,000
LVVWD 2011C	230,940,000	-	(10,115,000)	220,825,000
Clark County 2012	79,515,000	-	-	79,515,000
LVVWD 2012B	346,615,000	-	(7,060,000)	339,555,000
State of Nevada 2013	21,720,000	-	-	21,720,000
LVVWD 2015	332,405,000	-	-	332,405,000
LVVWD 2015B	177,635,000	-	(10,675,000)	166,960,000
LVVWD 2015C	42,125,000	-	(2,640,000)	39,485,000
Clark County 2016A	263,955,000	-	(13,755,000)	250,200,000
LVVWD 2016A	497,785,000	-	(5,530,000)	492,255,000
Clark County 2016B	-	271,670,000	-	271,670,000
LVVWD 2017B	-	22,115,000	-	22,115,000
Clark County 2017	-	321,640,000	-	321,640,000
Subtotal Bonds Payable	3,255,923,295	615,425,000	(796,296,540)	3,075,051,755
Total Long-Term Debt				
Before Unamortized Discounts and Premiums	<u>\$ 3,262,587,907</u>	<u>\$ 615,425,000</u>	<u>\$ (797,636,518)</u>	<u>3,080,376,390</u>
Unamortized Discounts and Premiums				<u>337,206,601</u>
Net Debt				<u>\$ 3,417,582,991</u>

(Totals may not add due to rounding.)

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Composition of Outstanding Debt, June 30, 2017

Debt Issue	Ending Balance	Current Portion	Long-Term Portion	Accrued Interest
Long-Term Debt				
State Revolving Fund Loan 1	\$ 2,443,330	\$ 785,484	\$ 1,657,845	\$ 36,549
State Revolving Fund Loan 2	2,881,305	602,414	2,278,892	41,309
Subtotal Notes Payable	5,324,635	1,387,898	3,936,737	77,858
Clark County 1106	69,545,000	-	69,545,000	325,791
LVVWD 2008B	97,470,000	8,835,000	88,635,000	383,662
Clark County 2008	9,635,000	9,635,000	-	39,488
SNWA CRE 2008	2,760,000	460,000	2,300,000	1,404
LVVWD 2009A	90,000,000	-	90,000,000	523,770
LVVWD 2009B	835,000	410,000	425,000	2,738
Clark County 2009	40,175,000	2,270,000	37,905,000	164,652
State of Nevada 2009	1,581,755	126,540	1,455,215	-
LVVWD 2009D	40,990,000	3,550,000	37,440,000	167,683
State of Nevada 2010B	3,405,000	1,095,000	2,310,000	10,313
LVVWD 2011A	49,355,000	4,560,000	44,795,000	196,603
LVVWD 2011B	110,955,000	9,775,000	101,180,000	386,804
LVVWD 2011C	220,825,000	10,620,000	210,205,000	906,308
Clark County 2012	79,515,000	-	79,515,000	260,705
LVVWD 2012B	339,555,000	7,345,000	332,210,000	1,333,049
State of Nevada 2013	21,720,000	-	21,720,000	270,000
LVVWD 2015	332,405,000	-	332,405,000	1,341,824
LVVWD 2015B	166,960,000	11,165,000	155,795,000	674,689
LVVWD 2015C	39,485,000	2,730,000	36,755,000	555,107
Clark County 2016A	250,200,000	23,295,000	226,905,000	2,073,668
LVVWD 2016A	492,255,000	11,045,000	481,210,000	1,976,639
Clark County 2016B	271,670,000	3,785,000	267,885,000	2,167,796
LVVWD 2017B	22,115,000	-	22,115,000	84,191
Clark County 2017	321,640,000	-	321,640,000	1,183,820
Subtotal Bonds Payable	3,075,051,755	110,701,540	2,964,350,215	15,030,702
Total Long-Term Debt				
Before Unamortized Discounts				
and Premiums	<u>\$ 3,080,376,390</u>	<u>\$ 112,089,438</u>	2,968,286,952	<u>\$ 15,108,560</u>
Unamortized Discounts and Premiums			<u>337,206,601</u>	
Net Long-Term Portion			<u>\$ 3,305,493,553</u>	

(Totals may not add due to rounding.)

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements

For the fiscal years ended June 30, 2017 and 2016

Outstanding Debt Activity, June 30, 2016

Debt Issue	Beginning Balance	Additions	Retirements	Ending Balance
Long-Term Debt				
State Revolving Fund Loan 1	\$ 3,932,448	\$ -	\$ (731,241)	\$ 3,201,207
State Revolving Fund Loan 2	4,025,874	-	(562,470)	3,463,404
Subtotal Notes Payable	7,958,322	-	(1,293,711)	6,664,611
Clark County 2006	210,210,000	-	(210,210,000)	-
State of Nevada 2006D	66,200,000	-	(66,200,000)	-
Clark County 1106	533,020,000	-	(113,885,000)	419,135,000
LVVWD 2008B	116,335,000	-	(10,445,000)	105,890,000
Clark County 2008	362,155,000	-	(8,740,000)	353,415,000
SNWA CRE 2008	3,680,000	-	(460,000)	3,220,000
LVVWD 2009A	90,000,000	-	-	90,000,000
LVVWD 2009B	9,285,000	-	(380,000)	8,905,000
Clark County 2009	44,395,000	-	(2,060,000)	42,335,000
State of Nevada 2009	1,834,836	-	(126,541)	1,708,295
LVVWD 2009D	63,195,000	-	(3,220,000)	59,975,000
State of Nevada 2010B	5,480,000	-	(1,020,000)	4,460,000
LVVWD 2011A	58,010,000	-	(4,255,000)	53,755,000
LVVWD 2011B	129,650,000	-	(9,220,000)	120,430,000
LVVWD 2011C	240,610,000	-	(9,670,000)	230,940,000
Clark County 2012	85,015,000	-	(5,500,000)	79,515,000
LVVWD 2012B	353,405,000	-	(6,790,000)	346,615,000
State of Nevada 2013	21,720,000	-	-	21,720,000
LVVWD 2015	332,405,000	-	-	332,405,000
LVVWD 2015B	177,635,000	-	-	177,635,000
LVVWD 2015C	42,125,000	-	-	42,125,000
Clark County 2016A	-	263,955,000	-	263,955,000
LVVWD 2016A	-	497,785,000	-	497,785,000
Subtotal Bonds Payable	2,946,364,836	761,740,000	(452,181,541)	3,255,923,295
Total Long-Term Debt				
Before Unamortized Discounts and Premiums	<u>\$ 2,954,323,158</u>	<u>\$ 761,740,000</u>	<u>\$ (453,475,252)</u>	3,262,587,906
Unamortized Discounts and Premiums				<u>265,871,073</u>
Net Debt				<u><u>\$ 3,528,458,979</u></u>

(Totals may not add due to rounding.)

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements
For the fiscal years ended June 30, 2017 and 2016

Composition of Outstanding Debt, June 30, 2016

Debt Issue	Ending Balance	Current Portion	Long-Term Portion	Accrued Interest
Long-Term Debt				
State Revolving Fund Loan 1	\$ 3,201,207	\$ 757,878	\$ 2,443,329	\$ 47,940
State Revolving Fund Loan 2	3,463,404	582,099	2,881,306	49,711
Subtotal Notes Payable	6,664,611	1,339,977	5,324,635	97,651
Clark County 1106	419,135,000	16,010,000	403,125,000	2,985,007
LVVWD 2008B	105,890,000	8,420,000	97,470,000	418,171
Clark County 2008	353,415,000	9,180,000	344,235,000	1,448,422
SNWA CRE 2008	3,220,000	460,000	2,760,000	1,638
LVVWD 2009A	90,000,000	-	90,000,000	523,770
LVVWD 2009B	8,905,000	395,000	8,510,000	35,206
Clark County 2009	42,335,000	2,160,000	40,175,000	173,504
State of Nevada 2009	1,708,295	126,540	1,581,755	-
LVVWD 2009D	59,975,000	3,385,000	56,590,000	245,347
State of Nevada 2010B	4,460,000	1,055,000	3,405,000	13,508
LVVWD 2011A	53,755,000	4,400,000	49,355,000	209,846
LVVWD 2011B	120,430,000	9,475,000	110,955,000	411,470
LVVWD 2011C	230,940,000	10,115,000	220,825,000	947,763
Clark County 2012	79,515,000	-	79,515,000	260,705
LVVWD 2012B	346,615,000	7,060,000	339,555,000	1,356,197
State of Nevada 2013	21,720,000	-	21,720,000	270,307
LVVWD 2015	332,405,000	-	332,405,000	1,341,824
LVVWD 2015B	177,635,000	10,675,000	166,960,000	709,689
LVVWD 2015C	42,125,000	2,640,000	39,485,000	578,350
Clark County 2016A	263,955,000	13,755,000	250,200,000	2,187,671
LVVWD 2016A	497,785,000	5,530,000	492,255,000	5,703,359
Subtotal Bonds Payable	3,255,923,295	104,841,540	3,151,081,755	19,821,753
Total Long-Term Debt				
Before Unamortized Discounts and Premiums	\$ 3,262,587,906	\$ 106,181,517	3,156,406,390	\$ 19,919,404
Unamortized Discounts and Premiums			265,871,073	
Net Long-Term Portion			\$ 3,422,277,463	

(Totals may not add due to rounding.)

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements
For the fiscal years ended June 30, 2017 and 2016

The SNWA total debt service requirements to maturity (excluding commercial paper) are as follows:

Long-Term Debt Service Requirements				
Fiscal Year Ending June 30	Principal	Interest ⁽¹⁾	Total	
2018	\$ 112,089,438	\$ 146,861,559	\$ 258,950,997	
2019	117,564,075	141,792,232	259,356,307	
2020	122,960,486	136,298,202	259,258,688	
2021	128,829,253	130,444,282	259,273,535	
2022	135,069,085	124,272,843	259,341,928	
2023-2027	742,217,702	515,326,044	1,257,543,746	
2028-2032	583,576,351	347,238,088	930,814,439	
2033-2037	612,185,000	219,841,378	832,026,378	
2038-2042	418,130,000	76,717,850	494,847,850	
2043-2046	107,755,000	13,797,750	121,552,750	
Total Debt Service	\$ 3,080,376,390	\$ 1,852,590,227	\$ 4,932,966,617	

(Totals may not add due to rounding.)

⁽¹⁾ Gross interest, not reduced by anticipated BAB Subsidy.

NOTE 17. CAPITAL CONTRIBUTIONS

Income restricted for capital improvement plans and other expansion programs are reported on the Statements of Revenues, Expenses and Changes in Net Position as capital contributions. This income is classified in compliance with paragraph 100 of GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Capital contributions received for the fiscal years ended June 30, 2017 and 2016 are as follows:

Type	June 30, 2017	June 30, 2016
Regional Infrastructure Charge	\$ 132,471,445	\$ 106,459,684
Regional Connection Charge ⁽¹⁾	57,024,817	63,781,176
Sales Tax	60,856,934	58,152,408
Regional Commodity Charge	65,382,163	56,621,516
Southern Nevada Public Lands Management Act	9,462,312	6,028,449
Regional Reliability Surcharge	5,268,565	5,082,720
Purveyor Member Debt Service Billings ⁽²⁾	249,783	3,665,177
Contributed Capital - Cash and Equivalents	1,430,863	899,896
Total Capital Contributions	\$ 332,146,883	\$ 300,691,026

(Totals may not add due to rounding.)

⁽¹⁾ Adjusted by Pending Regional Connection Charge Refund Contingency.

⁽²⁾ Neither the City of Boulder City nor Nellis Air Force Base collect regional infrastructure charges, regional connection charges, regional commodity charges, or regional liability surcharges from their customers. Instead, they make payments to the SNWA in lieu of those collections, which are indicated above as purveyor member debt service billings.

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements
For the fiscal years ended June 30, 2017 and 2016

Capital contributions presented in the Statements of Cash Flows differ somewhat from the amounts above because of accruals and use of some capital contributions for expenses related to expansion programs. The differences in capital contributions for the fiscal years ended June 30, 2017 and 2016 were as follows:

Reconciliation Of Capital Contributions		
Type	June 30, 2017	June 30, 2016
Capital Contributions per Statements of Revenues, Expenses, and Changes in Net Position	\$ 332,146,883	\$ 300,691,026
Expenses Related to Expansion Programs	(13,587,962)	(12,858,154)
Net Prior and Current Year Sales Tax Receivables	(845,259)	(593,452)
Net Prior and Current Year Sales Tax Payable To		
Clark County Water Purveyors Outside SNWA's Service Area	325,856	120,400
Net Prior and Current Year Connection, Commodity, Reliability and Infrastructure Receivables	(6,208,188)	(943,205)
Net Prior and Current Year Southern Nevada Public Lands Management Act Receivable	1,550,382	3,180,562
Capital Contributions Per Statements of Cash Flows	\$ 313,381,711	\$ 289,597,177

(Totals may not add due to rounding.)

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 to, 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 \$500.0 million with a deductible of \$1.0 million for all locations, except earthquake and flood which has a limit of \$100.0 million and \$50.0 million respectively and a deductible of \$0.1 million. This program also provides terrorism insurance for all locations with a blanket limit of \$500.0 million for all terrorist acts. The SNWA self-insures the first \$1.0 million for automobile and general liability exposure and purchases excess liability insurance in the amount of \$30.0 million. Employee fidelity insurance in the amount of \$3.0 million and other miscellaneous coverages are also purchased. For the fiscal year ended June 30, 2017, 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 \$1.0 million to \$10.0 million for commercial general and automobile liability insurance. The SNWA provides builders risk insurance for all construction projects with a blanket limit of \$500.0 million per contract, with a \$50,000 deductible per occurrence, except earthquake and flood where the deductible is \$0.5 million per occurrence. This coverage is included under the property insurance policy. The SNWA has a separate Builders Risk policy to insure the Low Lake Level Pumping Station during construction. The limit on this policy is \$650.0 million with various deductibles.

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 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, 2017, the SNWA has no significant retained risks and

SOUTHERN NEVADA WATER AUTHORITY

Notes to Basic Financial Statements
For the fiscal years ended June 30, 2017 and 2016

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.

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 its 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 (Members).

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.

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, 2017 and the date the basic financial statements were available to be issued and did not identify events that require disclosure.

Other Supplementary Information



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Other Supplementary Information

Budgetary Comparison - Statement of Revenues, Expenses, and Changes in Net Position For the fiscal year ended June 30, 2017

	Budget ⁽¹⁾	Actual
Operating Revenues		
Wholesale Delivery Charges	\$ 122,759,977	\$ 130,115,594
Groundwater Management Fees	873,661	886,929
Administration Costs Recoveries	459,920	625,349
Las Vegas Wash Revenues	416,715	356,365
Other Revenues	83,153,404	5,389,896
Total Operating Revenues	207,663,677	137,374,133
Operating Expenses		
Personnel and Related	47,415,116	55,987,034
Energy	38,008,556	36,631,385
Depreciation	80,000,000	97,423,714
Operating and Maintenance	49,192,884	73,839,764
Total Operating Expenses	214,616,556	263,881,897
Operating Loss	(6,952,879)	(126,507,764)
Nonoperating Revenues (Expenses)		
Investment Income	1,477,234	955,013
Interest Expense (Net of BAB Subsidy)	(121,753,319)	(124,651,755)
Amortization of Refunding Costs	-	(3,737,630)
Bond Issue and Commercial Paper Costs	-	(5,569,998)
Amortization of Bond Premiums and Discounts	-	18,002,315
Gain on Sale of Assets	-	18,935,983
Total Nonoperating Revenues (Expenses)	(120,276,085)	(96,066,072)
Loss Before Capital Contributions	(127,228,964)	(222,573,836)
Capital Contributions	345,135,626	332,146,883
Change in Net Position	\$ 217,906,662	\$ 109,573,047

(Totals may not add due to rounding.)

⁽¹⁾ According to Nevada Revised Statutes 354, the final budget approved by the SNWA's Board of Directors was converted to the Statement of Revenues, Expenses, and Changes in Net Position format for filing with the Nevada Department of Taxation.

SOUTHERN NEVADA WATER AUTHORITY

Other Supplementary Information
Budgetary Comparison - Statement of Cash Flows
For the fiscal year ended June 30, 2017

	Budget ⁽¹⁾	Actuals
CASH FLOWS FROM OPERATING ACTIVITIES:		
General and Administrative / Resources Charges	\$ 459,920	\$ 3,577,279
Groundwater Management Fees	873,661	886,929
Las Vegas Wash Revenues	416,715	356,365
Wholesale Delivery Charges	122,759,977	129,436,759
Other Revenues	83,153,404	2,426,532
Cash Payments to Suppliers of Goods and Services	(158,731,749)	(137,374,766)
Net Cash Provided by (Used In) Operating Activities	48,931,928	(690,902)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase or Construction of Capital Assets	(219,255,395)	(169,046,968)
Proceeds from Disposal of Property and Equipment	-	76,939,276
Proceeds of Debt Issuance	400,000,000	-
Principal Paid on Debt	(506,181,517)	(106,181,517)
Interest Paid on Debt (Net of BAB Subsidy)	(164,843,946)	(156,693,050)
Capital Contributions	345,135,626	313,381,711
Net Cash Used In Capital and Related Financing Activities	(145,145,233)	(41,600,548)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Investment Securities	(450,000,000)	(950,359,687)
Proceeds from Sales or Maturities of Investment Securities	550,000,000	982,141,170
Investment Earnings	1,477,234	7,464,863
Net Cash Provided by Investing Activities	101,477,234	39,246,346
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,263,929	(3,045,104)
Cash and Cash Equivalents, Beginning of Year	15,718,857	29,380,229
Cash and Cash Equivalents, End of Year	\$ 20,982,786	\$ 26,335,125

(Totals may not add due to rounding.)

⁽¹⁾ According to Nevada Revised Statutes 354, the final budget approved by the SNWA's Board of Directors was converted to the Statement of Cash Flows format for filing with the Nevada Department of Taxation.

Statistical Section (Unaudited)

- Information on Financial Trends
- Information on Revenue Capacity
- Information on Debt Capacity
- Demographic and Economic Information
- Operating Information
- Other Information



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Statistical Section (Unaudited)

Introduction and Table of Contents

For the fiscal years ended June 30, 2017 and 2016

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 other supplementary information says about the government's overall financial health.

<u>Contents</u>	<u>Page</u>
Information on Financial Trends	3-2 to 3-3
<i>These schedules contain information to help the reader understand how the SNWA's financial performance and well-being have changed over time.</i>	
Information on Revenue Capacity	3-4 to 3-13
<i>These schedules contain information to help the reader assess the SNWA's most significant local revenue sources.</i>	
Information on Debt Capacity	3-14 to 3-17
<i>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.</i>	
<i>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 sense of the SNWA's debt levels.</i>	
Demographic and Economic Information	3-18 to 3-21
<i>These schedules offer demographic and economic indicators to aid the reader in understanding the environment in which the SNWA's financial activities take place.</i>	
Operating Information	3-22 to 3-25
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the SNWA's financial report relates to the services SNWA provides and the activities it performs.</i>	
Other Information	3-26 to 3-45
<i>These schedules include hydrologic data, debt history, and individual amortization schedules to help the reader understand the SNWA's debt position both historically and in the future.</i>	

SOUTHERN NEVADA WATER AUTHORITY

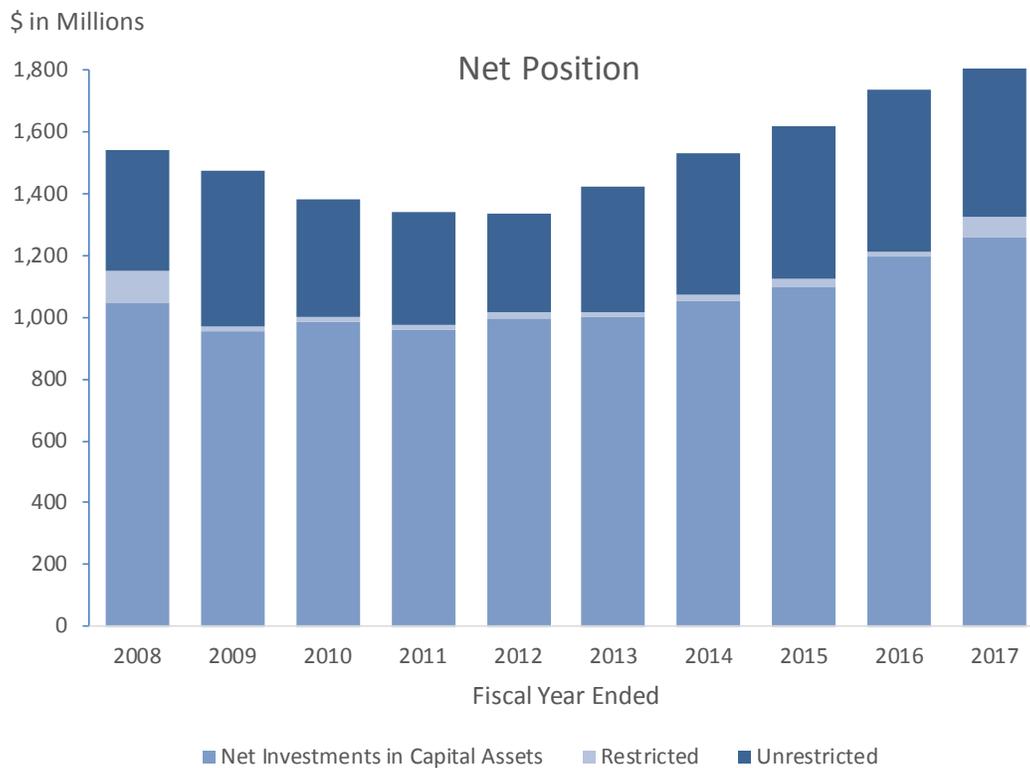
Statistical Section (Unaudited)

Net Position

Last Ten Fiscal Years

Fiscal Year Ended June 30	Net Investments in Capital Assets	Restricted for Debt Service / Capital Assets	Unrestricted	Total Net Position
2017	\$1,258,221,454	\$65,386,843	\$524,542,743	\$1,848,151,040
2016	1,198,480,405	15,769,806	524,327,782	1,738,577,993
2015	1,101,533,047	21,491,395	493,734,379	1,616,758,821
2014	1,053,490,593	20,731,026	455,164,318	1,529,385,937
2013	1,002,302,170	15,122,934	406,887,453	1,424,312,557
2012	995,159,156	22,736,730	319,037,966	1,336,933,852
2011	962,800,479	13,049,575	364,557,366	1,340,407,420
2010	984,695,999	16,866,340	379,701,414	1,381,263,753
2009	953,273,244	15,178,151	506,480,038	1,474,931,433
2008	1,050,436,099	102,040,416	390,234,075	1,542,710,590

(Totals may not add due to rounding.)



SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Changes in Net Position

Last Ten Fiscal Years

	Fiscal Year Ended June 30,				
	2017	2016	2015	2014	2013
Operating Revenues					
Wholesale Delivery Charges	\$ 130,115,594	\$ 125,054,059	\$ 121,100,263	\$ 121,045,154	\$ 117,534,578
Other	7,258,539	51,094,426	5,298,453	5,508,753	5,170,435
Total Operating Revenues	<u>137,374,133</u>	<u>176,148,485</u>	<u>126,398,716</u>	<u>126,553,907</u>	<u>122,705,013</u>
Total Operating Expenses	<u>263,881,897</u>	<u>225,760,441</u>	<u>203,269,593</u>	<u>213,963,946</u>	<u>183,114,310</u>
Operating Loss	<u>(126,507,764)</u>	<u>(49,611,956)</u>	<u>(76,870,877)</u>	<u>(87,410,039)</u>	<u>(60,409,297)</u>
Nonoperating Revenues (Expenses)					
Investment Income	955,013	3,852,256	1,592,657	2,309,538	740,407
Interest Expense (Net of BAB Subsidy)	(124,651,755)	(134,359,904)	(54,939,795)	(45,253,209)	(53,694,055)
Amortization of Refunding Costs	(3,737,630)	(4,581,254)	(3,492,409)	(2,921,604)	(2,926,272)
Bond Issue and Commercial Paper Costs ⁽¹⁾	(5,569,998)	(4,378,509)	(3,299,596)	(3,314,554)	(5,606,185)
Amortization of Bond Issue Costs, Premiums and Discounts ⁽²⁾	18,002,315	10,008,610	4,868,091	3,780,080	3,291,755
Other	18,935,983	198,903	94,294	44,132	63,295
Total Nonoperating Revenues (Expenses)	<u>(96,066,072)</u>	<u>(129,259,898)</u>	<u>(55,176,758)</u>	<u>(45,355,617)</u>	<u>(58,131,055)</u>
Loss Before Capital Contributions	<u>(222,573,836)</u>	<u>(178,871,854)</u>	<u>(132,047,635)</u>	<u>(132,765,656)</u>	<u>(118,540,352)</u>
Capital Contributions	<u>332,146,883</u>	<u>300,691,026</u>	<u>281,927,406</u>	<u>237,839,036</u>	<u>205,919,057</u>
Changes in Net Position	<u>\$ 109,573,047</u>	<u>\$ 121,819,172</u>	<u>\$ 149,879,771</u>	<u>\$ 105,073,380</u>	<u>\$ 87,378,705</u>

(Totals may not add due to rounding.)

⁽¹⁾ Per GASB 65, bond issue costs must be expensed in the year they occur. SNWA adopted GASB 65 with the fiscal 2010 financial information.

⁽²⁾ Fiscal years 2009 and earlier contain the amortization of bond issue costs.

	Fiscal Year Ended June 30,				
	2012	2011	2010	2009	2008
Operating Revenues					
Wholesale Delivery Charges	\$ 119,239,660	\$ 119,457,411	\$ 110,097,368	\$ 112,551,974	\$ 118,782,982
Other	4,289,754	4,604,785	4,477,070	5,765,790	5,551,053
Total Operating Revenues	<u>123,529,414</u>	<u>124,062,196</u>	<u>114,574,438</u>	<u>118,317,764</u>	<u>124,334,035</u>
Total Operating Expenses	<u>200,582,201</u>	<u>187,243,701</u>	<u>199,756,584</u>	<u>220,322,860</u>	<u>195,676,904</u>
Operating Loss	<u>(77,052,788)</u>	<u>(63,181,505)</u>	<u>(85,182,146)</u>	<u>(102,005,096)</u>	<u>(71,342,869)</u>
Nonoperating Revenues (Expenses)					
Investment Income	869,505	1,024,158	1,374,146	10,709,321	24,494,593
Interest Expense (Net of BAB Subsidy)	(56,700,015)	(69,064,101)	(68,926,378)	(69,887,704)	(67,939,173)
Amortization of Refunding Costs	(2,254,389)	(1,079,554)	(969,032)	(1,118,050)	(1,286,877)
Bond Issue and Commercial Paper Costs ⁽¹⁾	(7,264,123)	(5,153,406)	(5,473,902)	(2,249,341)	(866,470)
Amortization of Bond Issue Costs, Premiums and Discounts ⁽²⁾	3,211,357	3,452,152	3,537,813	2,877,933	1,810,746
Other	37,112	53,733	(5,051)	(753,735)	5,200
Total Nonoperating Revenues (Expenses)	<u>(62,100,553)</u>	<u>(70,767,019)</u>	<u>(70,462,404)</u>	<u>(60,421,576)</u>	<u>(43,781,981)</u>
Loss Before Capital Contributions	<u>(139,153,341)</u>	<u>(133,948,523)</u>	<u>(155,644,550)</u>	<u>(162,426,672)</u>	<u>(115,124,850)</u>
Capital Contributions	<u>135,679,772</u>	<u>93,092,191</u>	<u>75,876,870</u>	<u>94,647,515</u>	<u>206,676,859</u>
Changes in Net Position	<u>\$ (3,473,569)</u>	<u>\$ (40,856,332)</u>	<u>\$ (79,767,680)</u>	<u>\$ (67,779,157)</u>	<u>\$ 91,552,009</u>

(Totals may not add due to rounding.)

⁽¹⁾ Per GASB 65, bond issue costs must be expensed in the year they occur. SNWA adopted GASB 65 with the fiscal 2010 financial information.

⁽²⁾ Fiscal years 2009 and earlier contain the amortization of bond issue costs.

SOUTHERN NEVADA WATER AUTHORITY

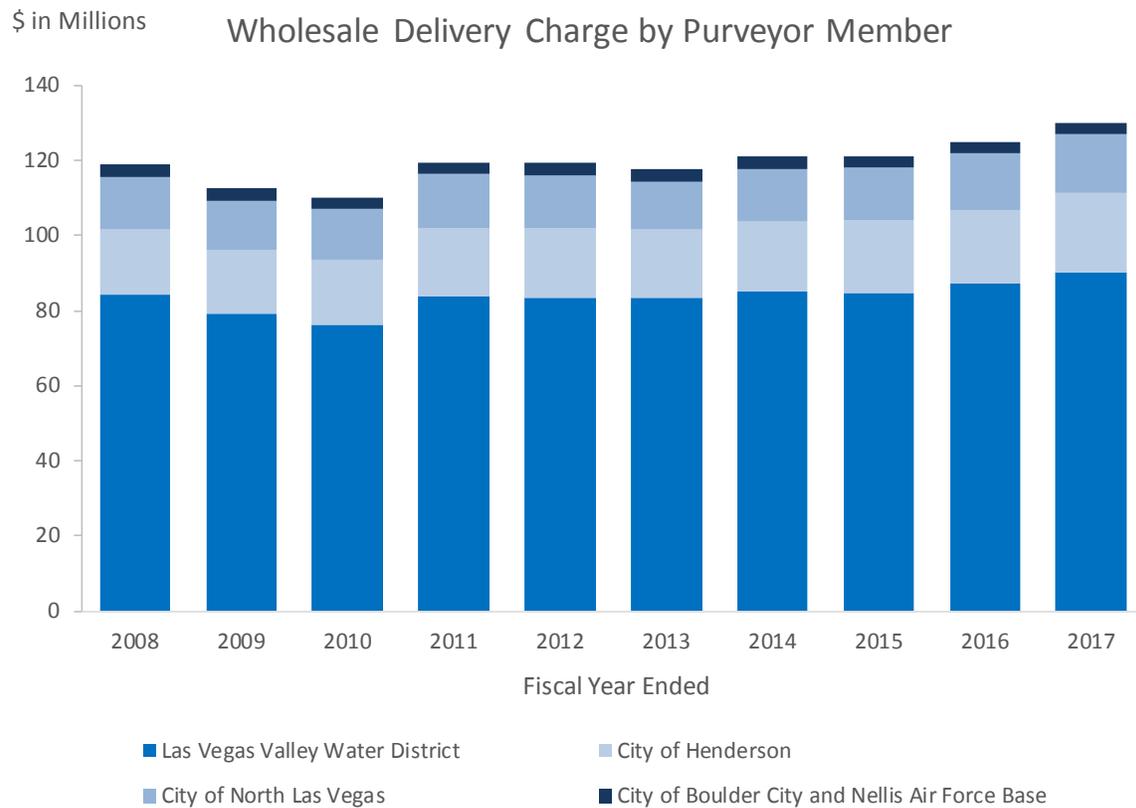
Statistical Section (Unaudited)

Wholesale Delivery Charge by Purveyor Member

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Las Vegas Valley Water District	City of Henderson	City of North Las Vegas	City of Boulder City	Nellis Air Force Base	Total
2017	\$90,327,324	\$20,974,863	\$15,597,261	\$2,933,871	\$282,274	\$130,115,594
2016	87,074,255	19,780,955	15,019,401	2,934,716	244,732	125,054,059
2015	84,899,076	19,442,746	13,615,054	2,906,510	236,877	121,100,263
2014	84,966,339	18,752,543	14,077,113	2,992,594	256,564	121,045,154
2013	83,269,369	18,203,343	13,013,158	2,795,461	253,247	117,534,578
2012	83,406,085	18,590,766	14,099,100	2,876,584	267,125	119,239,660
2011	83,958,256	18,186,274	14,222,462	2,779,302	311,117	119,457,411
2010	76,424,085	17,034,887	13,581,423	2,706,123	350,850	110,097,368
2009	79,085,752	16,928,183	13,442,152	2,675,997	419,890	112,551,974
2008	84,407,754	17,192,550	13,874,638	2,727,909	580,131	118,782,982

(Totals may not add due to rounding.)

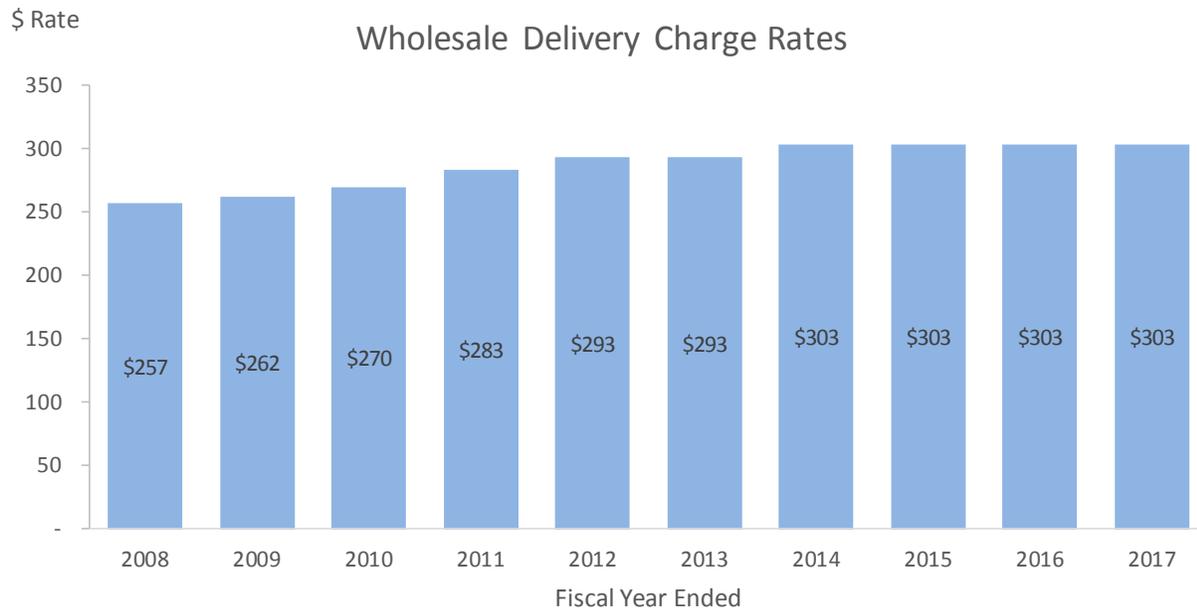


SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
Wholesale Delivery Charge Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Rate per Acre-Foot ⁽¹⁾
2017	\$303
2016	303
2015	303
2014	303
2013	293
2012	293
2011	283
2010	270
2009	262
2008	257

⁽¹⁾ 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
 Statistical Section (Unaudited)
 Regional Infrastructure Charge by Purveyor Member ⁽¹⁾
 Inception to June 30, 2017

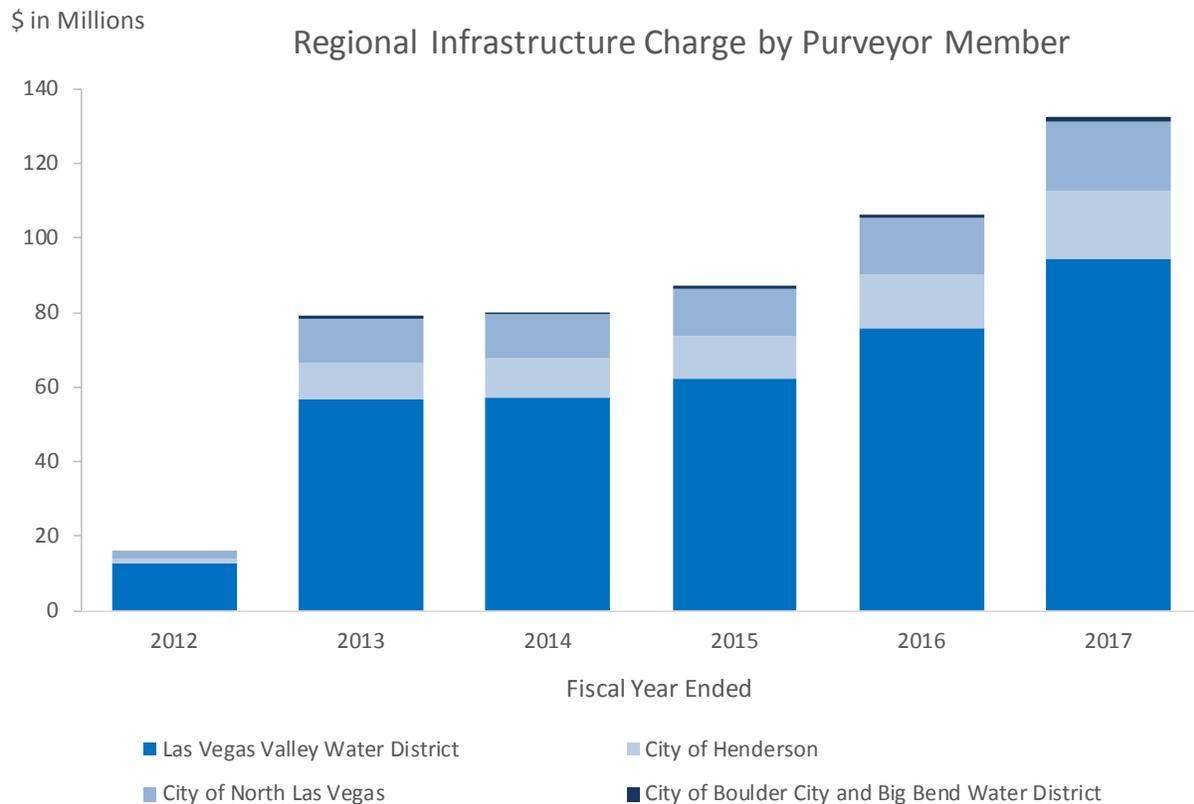
Fiscal Year Ended June 30,	Las Vegas Valley Water District	City of Henderson	City of North Las Vegas	Boulder City ⁽³⁾	Big Bend Water District ⁽³⁾	Total
2017	\$ 94,278,922	\$18,439,116	\$18,450,250	\$1,237,524	\$ 65,633	\$132,471,445
2016	75,898,495	14,390,670	14,959,443	1,072,250	138,826	106,459,684
2015	62,202,122	11,596,876	12,613,144	484,286	150,428	87,046,856
2014	57,375,876	10,450,969	11,656,022	576,858	185,156	80,244,881
2013	56,810,256	9,916,987	11,643,459	546,637	196,939	79,114,278
2012 ⁽²⁾	12,659,145	1,248,412	2,285,573	-	-	16,193,130

(Totals may not add due to rounding.)

⁽¹⁾ Regional Infrastructure Charges are a component of Capital Contributions as displayed on the Statements of Revenues, Expenses, and Changes in Net Position. See Notes 1 and 17 to the Basic Financial Statements.

⁽²⁾ Regional Infrastructure Charge Revenue was implemented in Fiscal Year 2012.

⁽³⁾ These purveyor members pay fees in lieu of collecting the Regional Infrastructure Charges from their customers.



SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
Regional Infrastructure Charge Rates
Inception to June 30, 2017

Page 1 of 2

	Daily Charge Per Meter			
	Jan 17 to <u>June 17</u>	Jan 16 to <u>Dec 16</u>	Jan 15 to <u>Dec 15</u>	Jan 14 to <u>Dec 14</u>
<u>Residential Meters</u>				
5/8" & 3/4" meter sizes	\$ 0.3906	\$ 0.3196	\$ 0.2120	\$ 0.1880
1" meter size	1.0646	0.9300	0.7263	0.6806
1.5" meter size	2.1287	1.8599	1.4520	1.3610
2" meter size	3.4063	2.9760	2.3233	2.1780
3" meter size	6.8120	5.9510	4.6460	4.3553
4" meter size	10.6433	9.2986	7.2596	6.8050
6" meter size	21.2863	18.5973	14.5190	13.6096
8" meter size	34.0580	29.7550	23.2296	21.7753
10" and larger meter sizes	37.2487	31.8850	23.2296	21.7753
<u>Non-Residential Meters</u>				
5/8" & 3/4" meter sizes	0.8589	0.7879	0.6803	0.6563
1" meter size	1.6270	1.4923	1.2886	1.2430
1.5" meter size	3.2537	2.9849	2.5770	2.4860
2" meter size	5.2059	4.7756	4.1230	3.9776
3" meter size	10.4120	9.5510	8.2460	7.9553
4" meter size	16.2686	14.9239	12.8850	12.4303
6" meter size	32.5370	29.8480	25.7696	24.8603
8" meter size	52.0590	47.7560	41.2306	39.7763
10" and larger meter sizes	74.8350	68.6490	59.2690	57.1783
<u>Non-Residential Fire Meters</u>				
5/8" & 3/4" meter sizes	0.1113	0.1113	0.1113	0.1113
1" meter size	0.2106	0.2106	0.2106	0.2106
1.5" meter size	0.4210	0.4210	0.4210	0.4210
2" meter size	0.6736	0.6736	0.6736	0.6736
3" meter size	1.3470	1.3470	1.3470	1.3470
4" meter size	2.1046	2.1046	2.1046	2.1046
6" meter size	4.2093	4.2093	4.2093	4.2093
8" meter size	6.7346	6.7346	6.7346	6.7346
10" and larger meter sizes	9.6810	9.6810	9.6810	9.6810

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
Regional Infrastructure Charge Rates
Inception to June 30, 2017

Page 2 of 2

	Daily Charge Per Meter		
	Jul 13 to <u>Dec 13</u>	Sep 12 to <u>Jun 13</u>	Feb 12 to <u>Aug 12</u>
<u>Residential Meters</u>			
5/8" & 3/4" meter sizes	\$ 0.1667	\$ 0.1667	\$ 0.1667
1" meter size	0.6403	0.6403	0.6403
1.5" meter size	1.2803	1.2803	1.2803
2" meter size	2.0486	2.0486	2.0487
3" meter size	4.0966	4.0966	4.0967
4" meter size	6.4010	6.4010	6.4010
6" meter size	12.8016	12.8016	12.8017
8" meter size	20.4823	20.4823	20.4823
10" and larger meter sizes	20.4823	20.4823	20.4823
<u>Non-Residential Meters</u>			
5/8" & 3/4" meter sizes	0.6350	0.6350	0.6350
1" meter size	1.2026	1.2026	1.2027
1.5" meter size	2.4053	2.4053	2.4053
2" meter size	3.8483	3.8483	3.8483
3" meter size	7.6966	7.6966	7.6967
4" meter size	12.0263	12.0263	12.0263
6" meter size	24.0523	24.0523	24.0523
8" meter size	38.4833	38.4833	38.4833
10" and larger meter sizes	55.3196	55.3196	55.3197
<u>Non-Residential Fire Meters</u>			
5/8" & 3/4" meter sizes	0.1113	0.1063	0.2223
1" meter size	0.2106	0.2017	0.4210
1.5" meter size	0.4210	0.4030	0.8420
2" meter size	0.6736	0.6447	1.3470
3" meter size	1.3470	1.2890	2.6940
4" meter size	2.1046	2.0140	4.2093
6" meter size	4.2093	4.0276	8.4183
8" meter size	6.7346	6.4443	13.4693
10" and larger meter sizes	9.6810	9.2636	19.3620

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

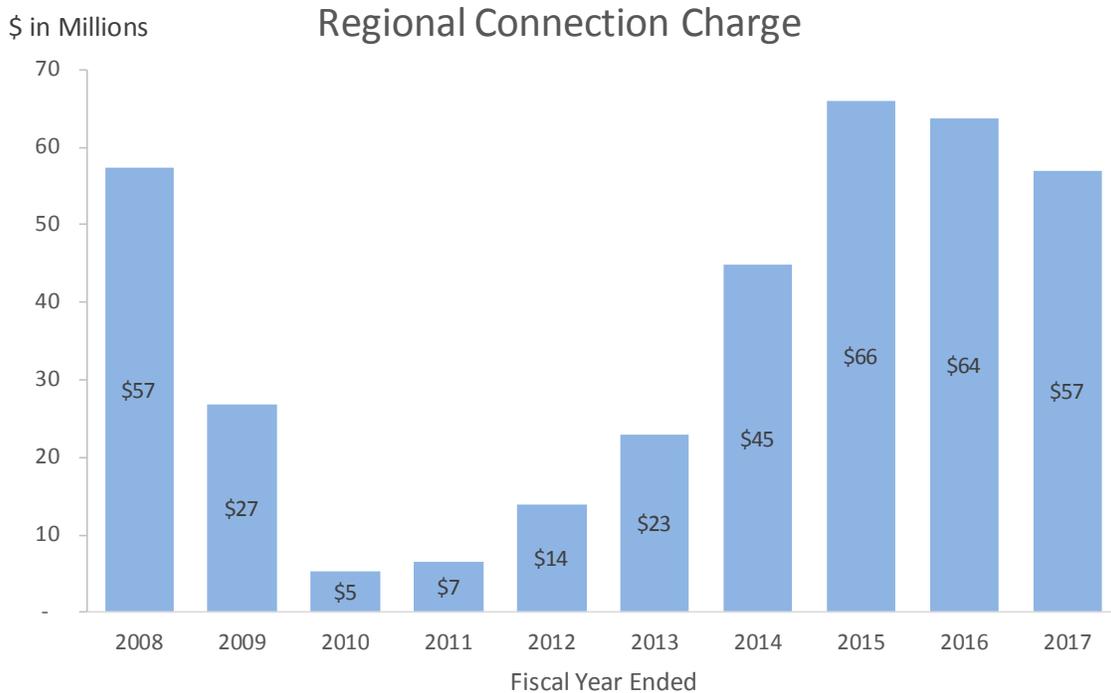
Regional Connection Charge by Purveyor Member ⁽¹⁾
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Las Vegas Valley Water District	City of Henderson	City of North Las Vegas	Adjustment to Pending Refund Contingency ⁽²⁾	Total
2017	\$ 41,373,197	\$ 11,723,700	\$ 3,927,920	\$ -	\$ 57,024,817
2016	42,742,896	16,687,440	2,930,630	1,420,210	63,781,176
2015	47,125,630	16,954,760	1,649,490	286,047	66,015,927
2014	26,284,180	13,185,770	2,012,861	3,336,858	44,819,669
2013	16,232,230	1,581,160	1,228,630	3,873,396	22,915,416
2012	10,265,102	3,195,930	330,050	101,774	13,892,856
2011	7,504,785	3,529,771	(258,942)	(4,172,886)	6,602,728
2010	(581,358)	2,008,270	2,117,669	1,764,966	5,309,547
2009	17,943,571	4,855,790	4,607,510	(617,716)	26,789,155
2008	40,672,561	11,184,662	9,655,650	(4,194,769)	57,318,104

(Totals may not add due to rounding.)

⁽¹⁾ Regional Connection Charges are a component of Capital Contributions as displayed on the Statements of Revenues, Expenses, and Changes in Net Position. See Notes 1 and 17 to the Basic Financial Statements.

⁽²⁾ Beginning in fiscal year 2007, annual net cash collections of connection charges were modified by a pending refund contingency. The adjusted amount corresponds with the Capital Contributions section of the financial statements (Note 17). The pending refund contingency was discontinued in fiscal year 2016.



SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
Regional Connection Charge Rates
Last Ten Fiscal Years

Residential (8 or fewer units per acre⁽¹⁾) <i>(Plans approved for construction and fees paid)</i>				
Meter Size	Charge			
	Nov 08 to Jun 17	May 08 to Oct 08	Nov 07 to Apr 08	Jul 07 to Oct 07
5/8"	\$ 4,870	\$ 4,710	\$ 4,560	\$ 4,410
3/4"	4,870	4,710	4,560	4,410
1"	9,610	9,300	9,000	8,710
1 1/2"	19,170	18,560	17,970	17,400
2"	30,680	29,700	28,750	27,830

⁽¹⁾ "Units per Acre means "Gross Acre," which represents an acre of land, including all interior streets, publicly dedicated land, and adjacent streets or rights-of-way to the street centerline, not to exceed a distance of 50 feet.

Non-Residential (Hotels, Motels, Golf Courses and Laundries Excluded) <i>(Plans approved for construction and fees paid)</i>				
Meter Size	Charge			
	Nov 08 to Jun 17	May 08 to Oct 08	Nov 07 to Apr 08	Jul 07 to Oct 07
5/8"	\$ 4,870	\$ 4,710	\$ 4,560	\$ 4,410
3/4"	4,870	4,710	4,560	4,410
1"	9,610	9,300	9,000	8,710
1 1/2"	19,170	18,560	17,970	17,400
2"	64,260	60,060	56,130	52,460
3"	237,900	216,610	197,220	179,570
4"	353,100	326,310	301,550	278,670
6"	See table for "Rates Based on Factors other than Meter Size"			
8"				
10"				

Industrial Laundries <i>(Plans approved for construction and fees paid)</i>				
Meter Size	Charge			
	Nov 08 to Jun 17	May 08 to Oct 08	Nov 07 to Apr 08	Jul 07 to Oct 07
5/8"	\$ 76,800	\$ 74,350	\$ 71,970	\$ 69,670
3/4"	76,800	74,350	71,970	69,670
1"	151,460	146,620	141,940	137,410
1 1/2"	302,950	293,270	283,900	274,830
2"	484,700	469,220	454,230	439,720
3"	969,400	938,430	908,450	879,430
4"	1,514,690	1,466,300	1,419,460	1,374,110
6"	3,029,360	2,932,580	2,838,900	2,748,210
8"	4,846,980	4,692,140	4,542,250	4,397,140
10"	6,967,540	6,744,960	6,529,490	6,320,900

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
Regional Connection Charge Rates
Last Ten Fiscal Years

Rates Based on Factors other than Meter Size <i>(Plans approved for construction and fees paid)</i>					
Customer Class	Connection Charge Based On	Charge Per Unit			
		Nov 08 to Jun 17	May 08 to Oct 08	Nov 07 to Apr 08	Jul 07 to Oct 07
Residential - Individually Metered more than 8 Units per acre ⁽¹⁾ & Mobile Homes	Dwelling Unit	\$ 3,400	\$ 3,210	\$ 3,030	\$2,860
Residential - Master Metered more than 8 Units per acre ⁽¹⁾ & Mobile Homes ⁽²⁾	Dwelling Unit	3,400	3,210	3,030	2,860
Non-Residential, 6" and Larger - Excluding Hotels, Motels, Golf Courses, and Laundries ⁽³⁾	Annual Usage (1,000 Gal.)	29.20	26.50	24.00	21.80
Hotels & Motels	Hotel Room	2,780	2,690	2,600	2,520
Golf Courses (Irrigated Acres) ⁽⁴⁾	Acre	45,640	43,870	42,170	40,530
RV Parks	Space	1,380	1,340	1,300	1,260

⁽¹⁾ "Units per Acre" means "Gross Acre," which represents an acre of land, including all interior streets, publicly dedicated land, and adjacent streets or rights-of-way to the street centerline, not to exceed a distance of 50 feet.

⁽²⁾ Master metered mobile homes are not authorized in Clark County in accordance with NRS 461A.230.

⁽³⁾ SNWA regional connection charge based on audit and confirmation of annual water usage of the facility within the first three years of operation. Based on that audit, the connection charge may be adjusted accordingly.

⁽⁴⁾ The SNWA regional connection charge is based on the potable irrigated acres of the golf course, which includes all playing areas, such as fairways, roughs, lakes, ponds, golf cart paths, sand traps, etc. The potable irrigated acres for this calculation does not include non-playing areas, although minimal potable irrigation may be required.

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

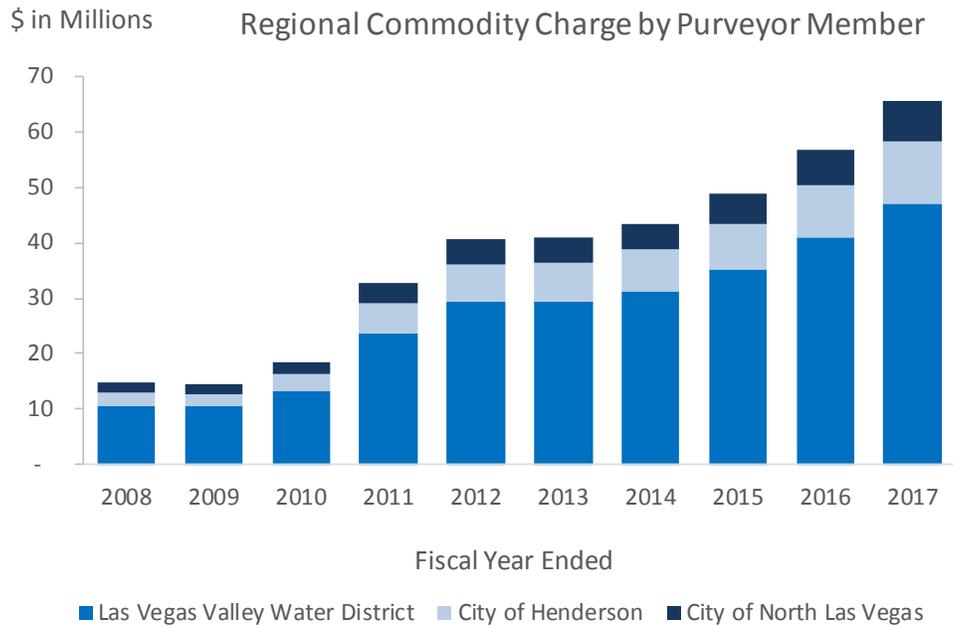
Regional Commodity Charge by Purveyor Member ⁽¹⁾

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Las Vegas Valley Water District	City of Henderson	City of North Las Vegas	Total
2017	\$47,122,474	\$11,059,260	\$7,200,429	\$65,382,163
2016	40,842,592	9,415,053	6,363,871	56,621,516
2015	35,116,225	8,264,405	5,505,351	48,885,982
2014	31,340,927	7,329,885	4,755,148	43,425,961
2013	29,550,946	6,821,823	4,618,727	40,991,496
2012	29,327,883	6,825,773	4,512,536	40,666,192
2011	23,768,274	5,453,396	3,632,107	32,853,776
2010	13,205,610	3,110,815	2,118,237	18,434,662
2009	10,561,664	2,238,651	1,682,955	14,483,269
2008	10,731,206	2,381,067	1,687,558	14,799,831

(Totals may not add due to rounding.)

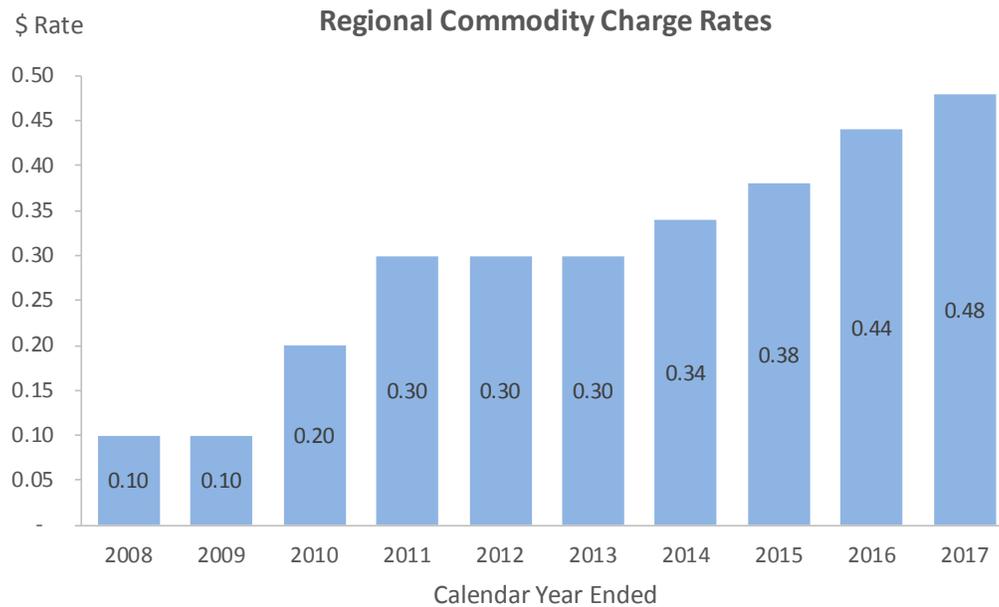
⁽¹⁾ Regional Commodity Charges are a component of Capital Contributions as displayed on the Statements of Revenues, Expenses, and Changes in Net Position. See Notes 1 and 17 to the Basic Financial Statements.



SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
Regional Commodity Charge Rates
Last Ten Calendar Years

<u>Calendar Year</u>	<u>Rate (per 1,000 gallons)</u>
2017	\$0.48
2016	0.44
2015	0.38
2014	0.34
2013	0.30
2012	0.30
2011	0.30
2010	0.20
2009	0.10
2008	0.10



SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Ratios of Outstanding Debt ⁽¹⁾

Last Ten Fiscal Years

Fiscal Year Ended June 30	In Million Dollars			Debt as a Percent of Personal Income ⁽⁴⁾	Debt per Capita In Dollars ⁽⁵⁾
	General Obligation Bonds ⁽²⁾	Notes Payable/ Repayment Contracts	Total Debt ⁽³⁾		
	2017	\$3,412.3	\$5.3		
2016	3,521.8	6.7	3,528.5	4.1%	1,648
2015	3,088.1	8.0	3,096.1	3.8%	1,489
2014	3,087.7	9.2	3,096.9	4.0%	1,521
2013	3,107.1	10.4	3,117.5	4.1%	1,556
2012	2,755.2	11.6	2,766.8	3.9%	1,422
2011	2,737.5	12.7	2,750.2	4.0%	1,446
2010	2,756.7	13.8	2,770.5	4.0%	1,416
2009	2,285.5	21.3	2,306.7	3.1%	1,190
2008	1,918.9	15.8	1,934.7	2.5%	1,007

(Totals may not add due to rounding.)

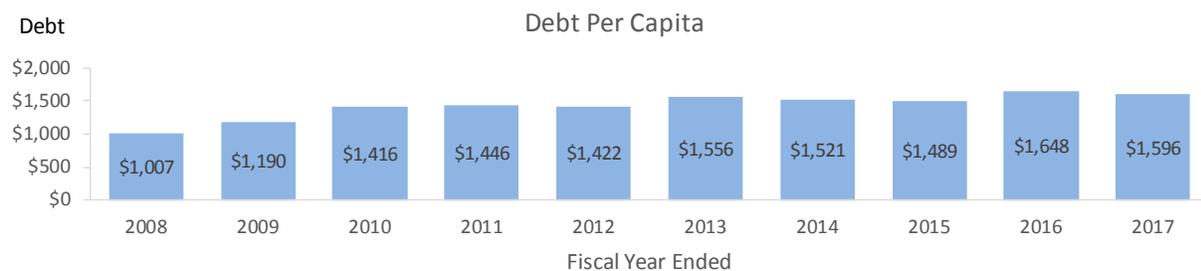
⁽¹⁾ Details of the Southern Nevada Water Authority's (SNWA) outstanding long-term and short-term debt can be found in the Notes to the Basic Financial Statements and in this Statistical Section.

⁽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 issued on behalf of the SNWA by the State of Nevada, Las Vegas Valley Water District and Clark County, additionally secured by pledged revenue. For more information, see Pledged Revenue Coverage information in this Statistical Section.

⁽⁴⁾ Total debt divided by personal income in Clark County, which is indicated in the demographic and economic information table in this Statistical Section.

⁽⁵⁾ Total debt divided by the population in SNWA's service area.



SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited) Ratios of General Bonded Debt ⁽¹⁾ Last Ten Fiscal Years

In Million Dollars

Fiscal Year Ended June 30	G.O. Debt		Total General Bonded Debt	Following Fiscal Year's Principal Payments ⁽⁴⁾	Net General Bonded Debt	Total Debt as Percent of Annual Applied Revenues ⁽⁵⁾⁽⁶⁾	Annual Debt Service as Percent of Annual Applied Revenues ⁽⁵⁾⁽⁷⁾
	Additionally Secured with SNWA Pledged Revenues ⁽²⁾	Debt Secured with Sales Tax Pledge ⁽²⁾⁽³⁾					
2017	\$3,414.8	\$2.8	\$3,417.6	(112.1)	\$3,305.5	732.7%	58.8%
2016	3,525.3	3.2	3,528.5	(106.2)	3,422.3	824.4%	53.7%
2015	3,092.4	3.7	3,096.1	(84.0)	3,012.1	784.7%	43.7%
2014	3,092.8	4.1	3,096.9	(24.3)	3,072.6	886.4%	42.2%
2013	3,112.9	4.6	3,117.5	(16.9)	3,100.6	987.3%	46.7%
2012	2,761.7	5.1	2,766.8	(15.1)	2,751.7	1142.7%	60.9%
2011	2,744.7	5.5	2,750.2	(31.9)	2,718.4	1313.4%	75.0%
2010	2,764.6	6.0	2,770.5	(31.2)	2,739.3	1523.7%	90.6%
2009	2,300.3	6.4	2,306.7	(55.8)	2,250.9	1100.9%	83.0%
2008	1,927.8	6.9	1,934.7	(48.9)	1,885.8	759.8%	62.0%

(Totals may not add due to rounding.)

⁽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 provided.

⁽²⁾ All SNWA bond and note debt is general obligation debt issued on behalf of the SNWA by the State of Nevada, Las Vegas Valley Water District and Clark County, additionally secured by pledged revenue. Please see "Pledged Revenue Coverage" tables immediately following this schedule.

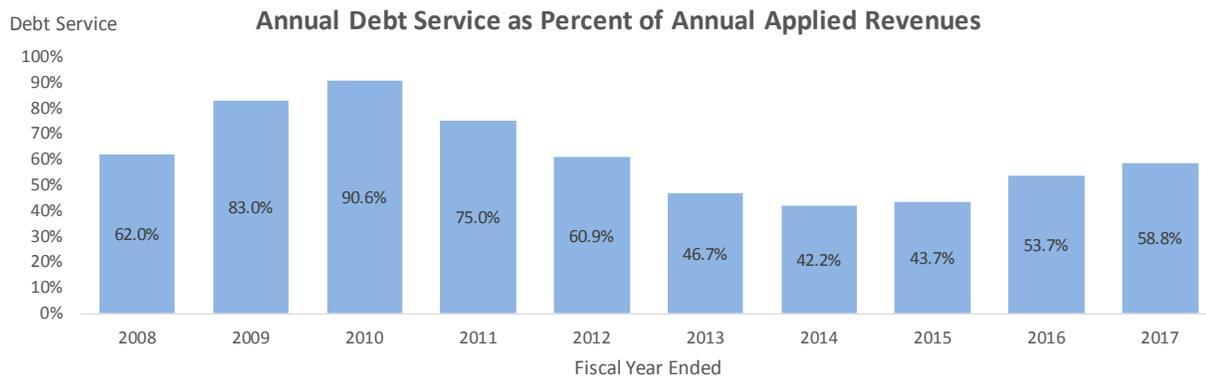
⁽³⁾ Only one debt issue (SNWA CRE 2008) has sales tax specifically pledged to it. All other issues are general obligation bonds with additional security of SNWA pledged revenues.

⁽⁴⁾ Principal portion of debt service payments for the following fiscal year, excluding commercial paper.

⁽⁵⁾ The SNWA cannot levy property taxes. Although the entities issuing debt of its behalf can, the SNWA does not expect that to occur. Therefore, alternate ratios have been provided.

⁽⁶⁾ Total debt divided by total applied revenues. Applied revenues are revenues which are used to pay debt service. These revenues consist of sales tax, wholesale delivery charge, regional connection charge, regional commodity charge, regional reliability charge, and regional infrastructure charge. Regional connection charges are adjusted by a refund contingency for fiscal year 2008 to 2015.

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



SOUTHERN NEVADA WATER AUTHORITY
 Statistical Section (Unaudited)
 Information About Debt Limitations and Pledged Revenue Coverage

DEBT LIMITATIONS

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

PLEGGED REVENUE COVERAGE

Fiscal Year Ended June 30	Pledged Revenue Sales Tax ⁽¹⁾	Bonds with Sales Tax Pledge ⁽²⁾	Coverage Ratio
2017	\$60,856,934	\$2,760,000	22.0
2016	58,152,408	3,220,000	18.1
2015	55,933,316	3,680,000	15.2
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
2008	53,315,770	6,900,000	7.7

⁽¹⁾ Sales tax collections are restricted by law to be used only for capital acquisition and retirement of debt.

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

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Pledged Revenue Coverage

Last Ten Fiscal Years

Fiscal Year Ended June 30	Gross Revenues ⁽¹⁾	Less Operating Expense ⁽²⁾	Net Available Revenue	Add Beginning Unrestricted Funds ⁽³⁾	Net Available for Debt Service	Total Debt Service ⁽⁴⁾	Debt Coverage Ratio ⁽⁵⁾
2017	\$ 473,007,416	\$ 166,458,183	\$ 306,549,233	\$ 422,030,778	\$ 728,580,011	\$ 265,380,836	2.75
2016	480,743,470	134,936,152	345,807,318	382,138,848	727,946,166	222,812,922	3.27
2015	402,439,702	127,494,786	274,944,916	322,928,812	597,873,728	167,810,691	3.56
2014	360,059,198	138,110,567	221,948,631	308,634,591	530,583,222	146,324,785	3.63
2013	323,304,876	108,170,994	215,133,882	236,252,384	451,386,266	146,773,353	3.08
2012	251,265,209	125,663,412	125,601,797	305,553,937	431,155,734	146,624,017	2.94
2011	213,230,601	112,862,482	100,368,119	366,951,904	467,320,023	155,206,052	3.01
2010	187,790,238	120,391,880	67,398,358	438,885,842	506,284,200	162,911,866	3.11
2009	223,916,735	153,354,898	70,561,837	335,975,548	406,537,385	169,717,981	2.40
2008	287,886,817	136,503,637	151,383,180	470,805,706	622,188,886	153,769,711	4.05

(Totals may not add due to rounding.)

⁽¹⁾ Gross revenues are comprised of wholesale delivery charge, regional connection charge (net of pending refund contingency, which was discontinued in fiscal year 2016), regional water charge (comprised of commodity and reliability), regional infrastructure charge, sales tax, groundwater management fees, Las Vegas wash revenues, investment income (including capitalized portion), and other revenues. Other revenues includes receipts from Southern Nevada Public Lands Management Act (SNPLMA), raw water facilities charge and minor billings to purveyor members (Big Bend Water District, City of Las Vegas, and Clark County Water Reclamation District).

⁽²⁾ Operating expense are comprised of energy, personnel and related, and operating and maintenance.

⁽³⁾ Unrestricted funds include unrestricted cash and investments as shown on the Statements of Net Position and sales tax proceeds on hand regardless of classification.

⁽⁴⁾ Includes the interest amounts paid on the 2004 Commercial Paper Notes and interest amount paid net of the BAB Subsidy received with respect to the 2009A Bonds and 2009C Bonds.

⁽⁵⁾ Debt coverage ratio is calculated by dividing the net available for debt service amount by the total debt service amount.

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
Demographic and Economic Information in Clark County, Nevada ⁽¹⁾
Last Ten Calendar Years

Calendar Year	Population ⁽²⁾	Per Capita Income ⁽³⁾	Median Household Income ⁽⁴⁾	School Enrollment ⁽⁵⁾	Total Labor Force Thousands ⁽⁶⁾	U.S. Unemployment Rate ⁽⁷⁾
2016	2,166,181	N/A	N/A	319,203	1,048.0	4.9%
2015	2,118,353	\$ 40,652	\$ 51,552	317,759	1,039.4	5.3%
2014	2,069,450	39,613	51,214	314,598	1,019.9	6.2%
2013	2,031,723	37,966	51,057	311,218	1,005.0	7.4%
2012	1,988,195	38,516	49,546	308,377	999.5	8.1%
2011	1,967,722	36,512	48,215	309,899	995.1	8.9%
2010	1,951,269	35,473	51,437	309,442	984.0	9.6%
2009	1,952,040	35,075	53,505	311,221	967.7	9.3%
2008	1,967,716	38,378	56,696	308,745	980.2	5.8%
2007	1,954,319	39,950	55,996	302,547	951.1	4.6%

⁽¹⁾ All figures are subject to revision.

⁽²⁾ Population as of July 1.

Source: 2010 figure from the U.S. Bureau of the Census; all other figures from the Nevada State Demographer.

⁽³⁾ The abbreviation "N/A" means not available.

Source: U.S. Bureau of Economic Analysis as reported for the Las Vegas-Paradise MSA (which is comprised of Clark County). Years 2007 - 2015 updated November 17, 2016.

⁽⁴⁾ The abbreviation "N/A" means not available.

Source: U.S. Census Bureau, American Community Survey.

⁽⁵⁾ School enrollment in fall.

Source: Clark County School District.

⁽⁶⁾ Source: State of Nevada - Department of Employment, Training & Rehabilitation.

⁽⁷⁾ Source: Bureau of Labor Statistics (annual averages).

Change in Population From Prior Year



SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Ten Largest Property-Owning Taxpayers in Clark County, Nevada ⁽¹⁾

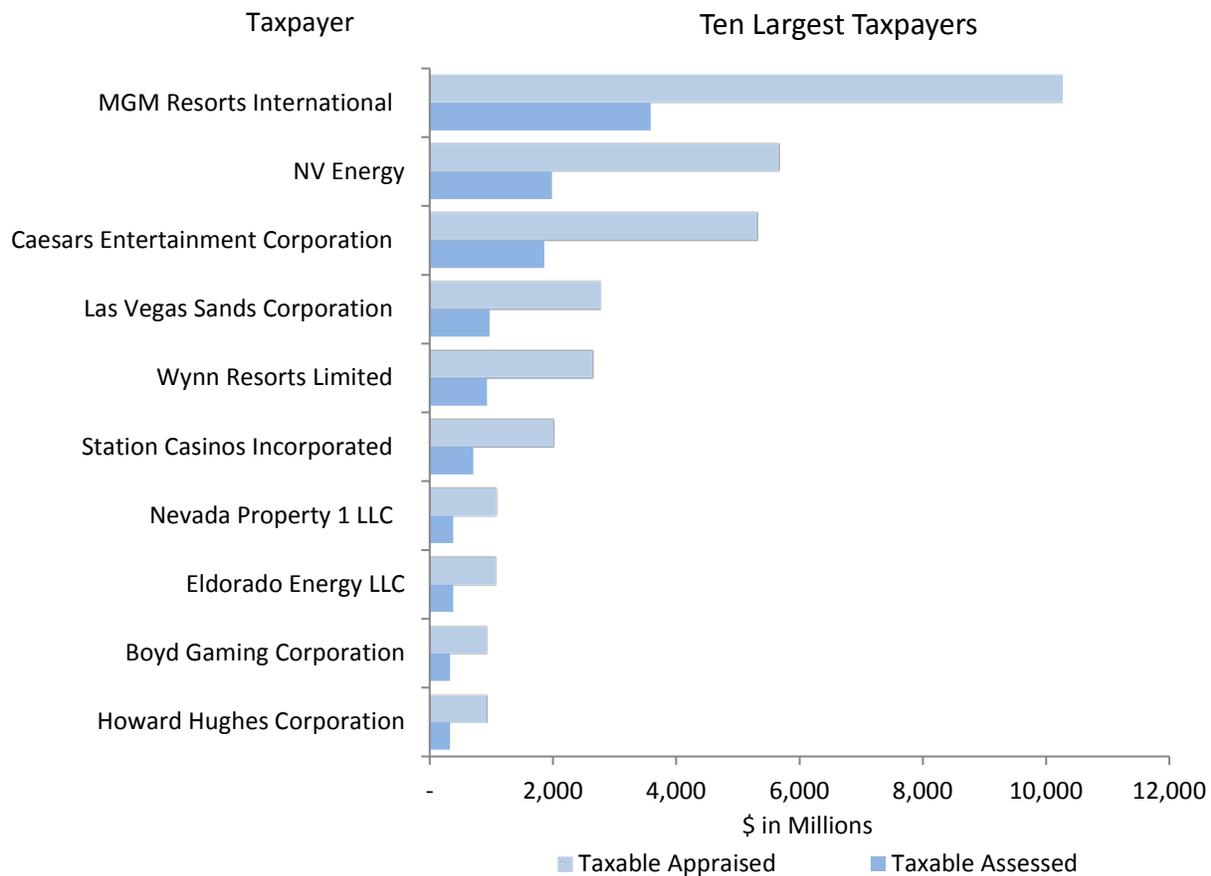
Fiscal year ended June 30, 2017

Taxpayer ⁽²⁾	Taxable Assessed	Taxable Appraised
1. MGM Resorts International	\$ 3,586,896,698	\$ 10,248,276,280
2. NV Energy	1,982,725,527	5,664,930,077
3. Caesars Entertainment Corporation	1,859,895,091	5,313,985,974
4. Las Vegas Sands Corporation	972,201,925	2,777,719,786
5. Wynn Resorts Limited	926,778,374	2,647,938,211
6. Station Casinos Incorporated	705,871,212	2,016,774,891
7. Nevada Property 1 LLC	382,335,596	1,092,387,417
8. Eldorado Energy LLC	380,134,297	1,086,097,991
9. Boyd Gaming Corporation	328,880,459	939,658,454
10. Howard Hughes Corporation	327,790,058	936,543,023

⁽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 31, 2016.



SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
 Top Ten Employers in Clark County, Nevada ⁽¹⁾
 December 31, 2016 and 2007 ⁽²⁾

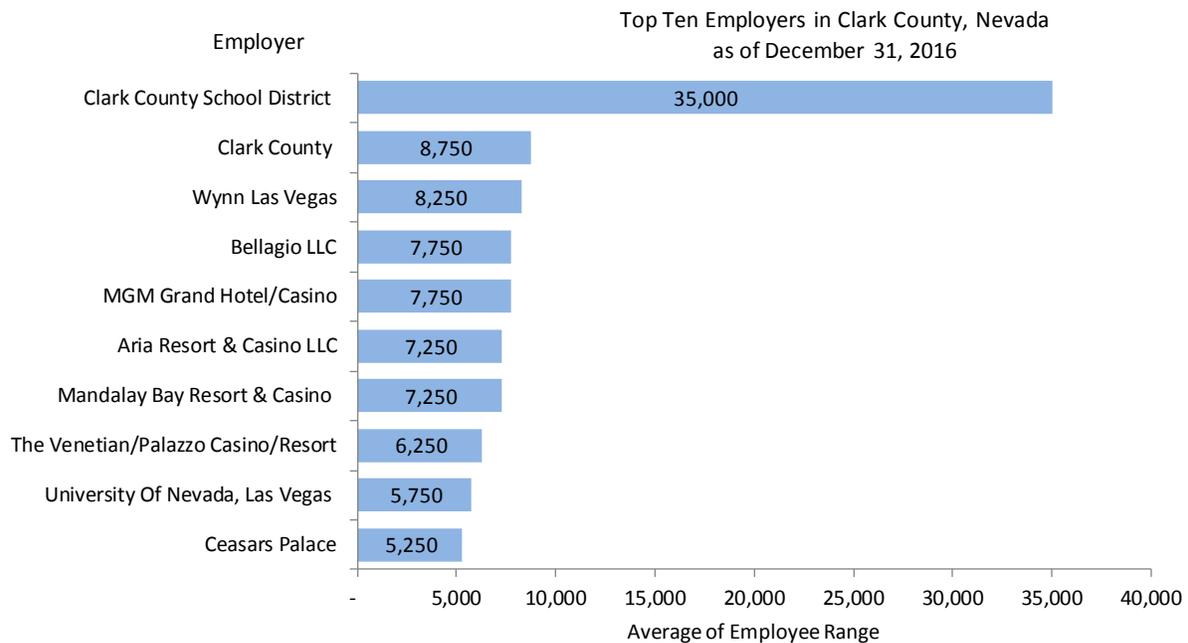
Employer	December 31, 2016				December 31, 2007			
	Employee Range ⁽³⁾		Rank	Percentage of Total Labor Force ⁽⁴⁾	Employee Range ⁽³⁾		Rank	Percentage of Total Labor Force ⁽⁴⁾
Clark County School District	30,000	to 39,999	1	3.3%	30,000	to 39,999	1	3.6%
Clark County	8,500	to 8,999	2	0.8%	10,000	to 19,999	2	1.6%
Wynn Las Vegas	8,000	to 8,499	3	0.8%	8,500	to 8,999	5	0.9%
Bellagio LLC	7,500	to 7,999	4	0.7%	9,000	to 9,499	3	1.0%
MGM Grand Hotel/Casino	7,500	to 7,999	5	0.7%	8,500	to 8,999	4	0.9%
Aria Resort & Casino LLC	7,000	to 7,499	6	0.7%	-	-	-	-
Mandalay Bay Resort & Casino	7,000	to 7,499	7	0.7%	6,500	to 6,999	6	0.7%
The Venetian/Palazzo Casino/Resc	6,000	to 6,499	8	0.6%	-	-	-	-
University Of Nevada, Las Vegas	5,500	to 5,999	9	0.5%	6,000	to 6,499	7	0.6%
Ceasars Palace	5,000	to 5,499	10	0.5%	5,500	to 5,999	8	0.6%
Las Vegas Metropolitan Police	-	-	-	-	5,500	to 5,999	9	0.6%
The Mirage Casino/Hotel	-	-	-	-	5,000	to 5,499	10	0.5%
Total Labor Force	1,051,568				964,549			

⁽¹⁾ Source: State of Nevada - Department of Employment, Training & Rehabilitation.

⁽²⁾ December 31, 2016 is the latest date information is available.

⁽³⁾ Nevada law prohibits the disclosure of exact employee counts.

⁽⁴⁾ Average employee range divided by total labor force.



SOUTHERN NEVADA WATER AUTHORITY

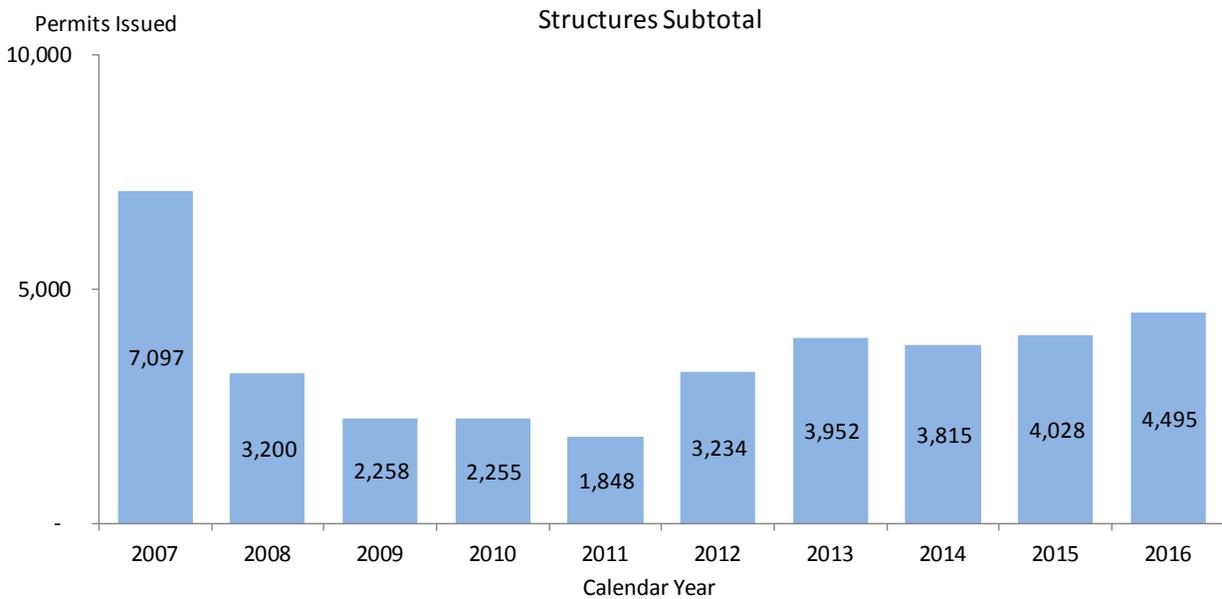
Statistical Section (Unaudited)
 Building Permits Issued in Clark County, Nevada
 Last Ten Calendar Years

	Calendar Year Ended ⁽¹⁾									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Single Family Residential	3,956	3,550	3,375	3,515	2,966	1,599	2,023	1,930	2,451	5,859
Townhouses	79	26	39	50	-	-	6	-	11	-
Condominiums	13	17	14	28	18	13	54	89	115	203
Duplex/Apartment Buildings	133	162	122	104	20	40	8	19	99	40
Hotels & Motels	4	2	4	-	3	-	-	3	38	61
Mobile Home Parks	-	-	-	-	-	-	-	3	1	-
Guest Houses	60	64	57	36	52	23	29	28	46	105
Buildings	250	207	204	219	175	173	135	186	439	829
Structures Subtotal ⁽²⁾	4,495	4,028	3,815	3,952	3,234	1,848	2,255	2,258	3,200	7,097
Other New Projects ⁽³⁾	4,458	4,029	4,184	3,744	3,205	3,274	3,130	3,838	4,894	6,838
Total Permits Issued for New Projects	8,953	8,057	7,999	7,696	6,439	5,122	5,385	6,096	8,094	13,935
Permits for Add, Alter & Repair	5,621	5,198	5,133	4,908	4,402	4,420	4,665	5,122	5,731	6,247
Total Permits Issued	14,574	13,255	13,132	12,604	10,841	9,542	10,050	11,218	13,825	20,182

⁽¹⁾ Source: Clark County Development Services, Building Department.

⁽²⁾ Structure permits are important to SNWA as they are most likely to generate Regional Connection Charge revenue.

⁽³⁾ Examples include signs, pools, spas, garages, walls, fences, and grading permits.



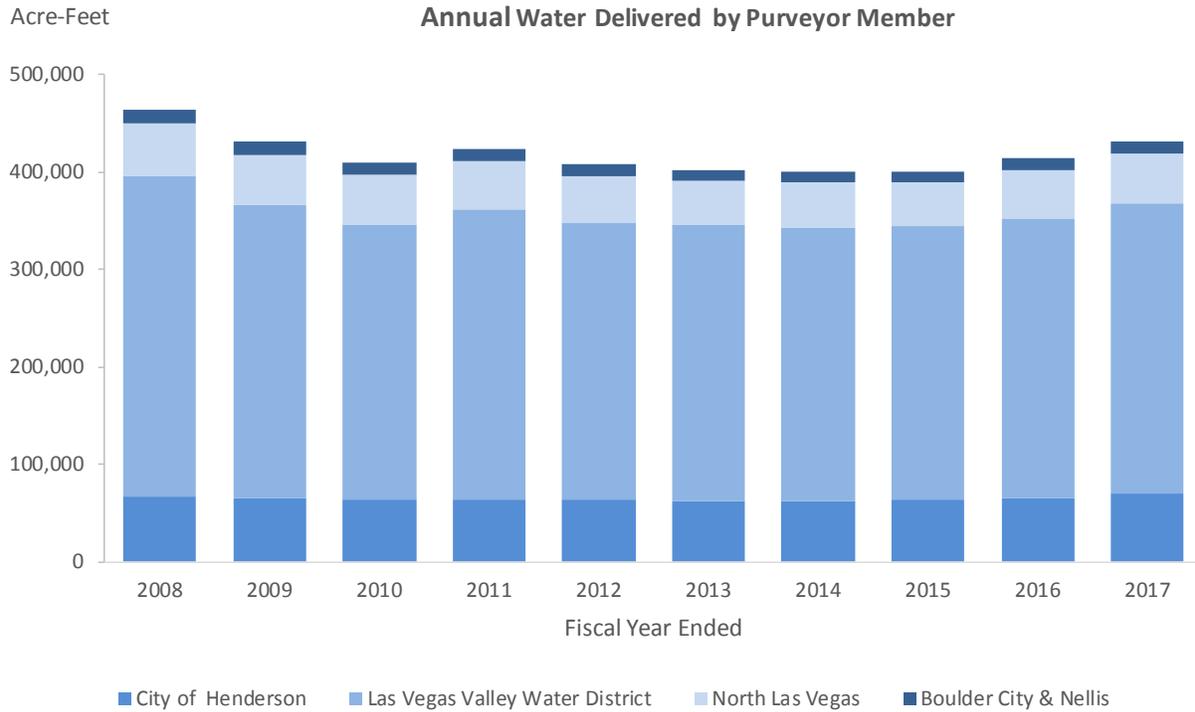
SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Annual Water Delivered by the Southern Nevada Water System in Acre-Feet
Last Ten Fiscal Years

Fiscal Year Ended June 30	City of Boulder City	City of Henderson	Las Vegas Valley Water District	Nellis Air Force Base	North Las Vegas	Total Delivered
2017	10,496	69,224	298,110	1,213	51,476	430,519
2016	10,458	65,284	287,374	1,044	49,569	413,729
2015	10,378	64,167	280,195	1,008	44,934	400,683
2014	10,688	61,890	280,417	1,097	46,459	400,551
2013	10,280	62,127	284,196	1,088	44,414	402,105
2012	10,514	63,450	284,662	1,069	48,120	407,815
2011	10,534	64,262	296,672	1,334	50,256	423,059
2010	10,845	63,092	283,052	1,511	50,302	408,802
2009	11,121	64,611	301,854	1,800	51,306	430,692
2008	11,345	66,897	328,435	2,664	53,987	463,328

(Totals may not add due to rounding.)



SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

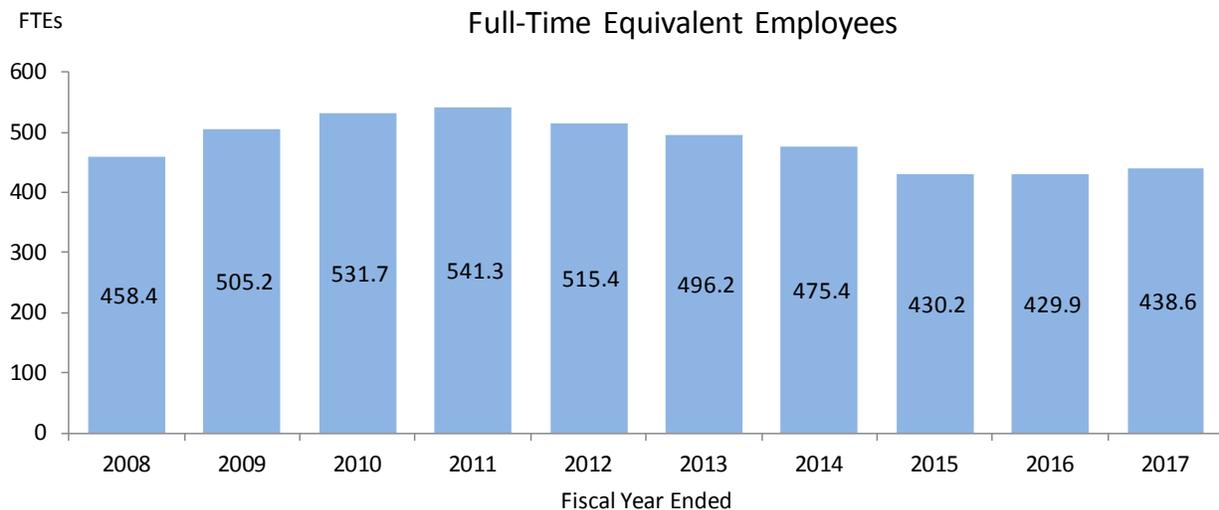
Full-Time Equivalent Employees (FTEs) by Department / Function ⁽¹⁾
Last Ten Fiscal Years

Department / Function	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Operations	57.4	56.7	56.7	89.0	-	-	-	-	-	-
Water Quality & Treatment	89.3	87.3	84.8	93.9	-	-	-	-	-	-
Infrastructure Management	19.2	16.0	14.7	-	-	-	-	-	-	-
Southern Nevada Water Systems	-	-	-	-	195.9	192.7	199.7	188.5	190.0	181.0
Resources & Facilities	97.0	98.6	101.8	-	-	-	-	-	-	-
Water & Environmental Resources	-	-	-	98.4	48.8	55.2	46.0	35.0	31.0	-
SNWA Groundwater Resources	-	-	-	-	48.1	51.0	63.0	64.5	59.0	91.0
SNWA Surface Water Resources	-	-	-	-	14.0	25.0	24.0	20.0	35.0	16.0
Engineering	30.3	32.9	38.7	51.5	70.8	77.8	78.9	66.0	64.0	59.0
Energy Management	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	7.0	8.0
Executive Management	5.0	5.0	-	-	-	-	-	-	-	-
Legal Services	13.9	11.0	-	-	-	-	-	-	-	-
Finance	32.0	33.2	-	-	-	-	-	-	-	-
Information Technology	34.5	34.4	-	-	-	-	-	-	-	-
Human Resources	4.1	-	-	-	-	-	-	-	-	-
Public Services	30.1	31.9	-	-	-	-	-	-	-	-
Environmental, Health, Safety, & Corporate Security	16.8	15.8	-	-	-	-	-	-	-	-
Customer Care & Field Services	3.0	1.3	-	-	-	-	-	-	-	-
Administrative Support ⁽²⁾	-	-	128.5	137.6	113.6	108.8	124.7	152.7	119.2	103.4
TOTAL	438.6	429.9	430.2	475.4	496.2	515.4	541.3	531.7	505.2	458.4

(Totals may not add due to rounding.)

⁽¹⁾ The SNWA has no employees of its own. FTEs in this table are employed by LVVWD because the LVVWD is the operating agent for the SNWA. See Note 1 to the Basic Financial Statements for more details on this relationship. FTE numbers are estimates as they come from the annual budget process. Organizational changes are made periodically to better align the organization with its objectives and activities.

⁽²⁾ Starting in the fiscal year ended June 30, 2016, the "Administrative Support" departments were displayed separately in the budget process.



SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Capital Expenditures

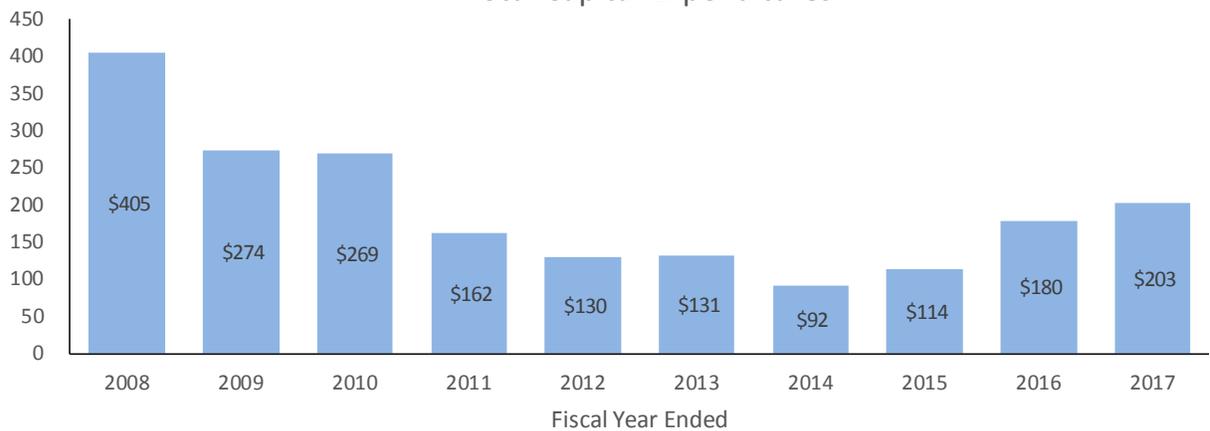
Last Ten Fiscal Years

Fiscal Year Ended June 30	Capital Expenditures				Total Capital Expenditures
	Major Construction and Capital Plan	Las Vegas Wash Capital Improvements Plan	Capital Outside of Capital Improvement Plans		
2017	\$ 192,961,627	\$ 3,518,951	\$ 6,383,511		\$202,864,089
2016	172,109,188	1,113,383	6,384,113		179,606,684
2015	94,914,794	15,694,463	3,764,784		114,374,041
2014	78,826,736	9,448,938	3,660,439		91,936,113
2013	120,480,080	9,429,731	1,399,339		131,309,150
2012	118,981,628	9,819,269	925,631		129,726,527
2011	156,948,614	4,865,554	414,594		162,228,762
2010	262,219,878	6,385,472	342,315		268,947,665
2009	268,177,049	4,910,470	558,640		273,646,159
2008	392,605,757	10,579,560	1,472,684		404,658,000

(Totals may not add due to rounding.)

\$ Millions

Total Capital Expenditures



SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

Fiscal Year Ended June 30	Miles of Pipeline	Ozone Treatment Capacity ⁽¹⁾	Ozone Treatment Facilities	Pumping Plants	Reservoirs & Forebays	Metering Stations	Rechlorination Facilities	Plant Facilities
2017	175	1,000	2	28	38	35	8	3
2016	175	1,000	2	28	38	35	8	3
2015	175	1,000	2	27	38	35	8	3
2014	175	1,000	2	27	38	35	8	3
2013	175	1,000	2	27	38	35	8	3
2012	175	1,000	2	27	38	35	8	3
2011	175	1,000	2	27	38	35	8	3
2010	175	1,000	2	27	38	35	8	3
2009	175	1,000	2	27	38	35	8	2
2008	175	1,000	2	27	38	35	8	2

⁽¹⁾ Capacity in million gallons per day.

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

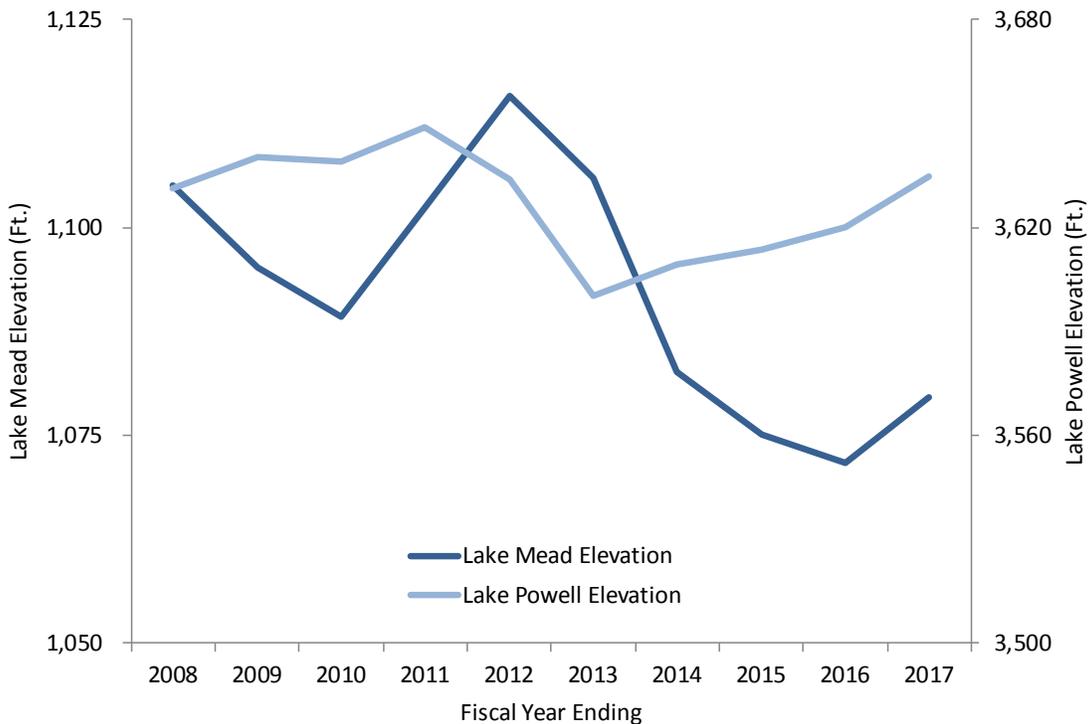
Lake Elevations by Quarter Measured in Feet at Dam

Last Ten Fiscal Years

	Lake Mead ⁽¹⁾	Lake Powell ⁽¹⁾		Lake Mead ⁽¹⁾	Lake Powell ⁽¹⁾
09/30/07	1,111.1	3,601.9	09/30/12	1,115.2	3,621.6
12/31/07	1,114.8	3,594.6	12/31/12	1,120.4	3,609.8
03/31/08	1,115.7	3,598.8	03/31/13	1,118.6	3,599.0
06/30/08	1,105.0	3,631.1	06/30/13	1,106.0	3,600.1
09/30/08	1,105.8	3,626.9	09/30/13	1,106.9	3,591.3
12/31/08	1,111.0	3,617.9	12/31/13	1,106.7	3,584.4
03/31/09	1,107.4	3,610.4	03/31/14	1,101.7	3,574.8
06/30/09	1,095.3	3,640.5	06/30/14	1,082.7	3,609.2
09/30/09	1,093.7	3,635.4	09/30/14	1,081.3	3,605.5
12/31/09	1,096.3	3,626.2	12/31/14	1,087.8	3,597.8
03/31/10	1,100.7	3,619.4	03/31/15	1,084.9	3,591.0
06/30/10	1,089.3	3,638.8	06/30/15	1,075.1	3,613.5
09/30/10	1,083.8	3,633.7	09/30/15	1,078.1	3,606.0
12/31/10	1,086.3	3,626.5	12/31/15	1,080.9	3,600.8
03/31/11	1,096.4	3,610.7	03/31/16	1,080.5	3,592.2
06/30/11	1,102.4	3,649.0	06/30/16	1,071.6	3,620.0
09/30/11	1,116.0	3,653.0	09/30/16	1,075.2	3,610.9
12/31/11	1,132.8	3,639.8	12/31/16	1,080.8	3,600.5
03/31/12	1,129.4	3,635.3	03/31/17	1,088.3	3,595.9
06/30/12	1,115.8	3,633.9	06/30/17	1,079.5	3,634.9

⁽¹⁾ Source: US Department of Interior, Bureau of Reclamation.

Comparison of Fiscal Year End Lake Mead and Lake Powell Elevations



SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Debt History

As of June 30, 2017

Page 1 of 5

Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance at 6/30/2017(\$)
State of Nevada	State of Nevada 1967 Debenture #1	Sep 1967	Interim Water Acquisition Planning & Design	10,000	10,000	State of Nevada 1968 Bonds		
State of Nevada	State of Nevada 1967 Debenture #2	Oct 1967	Interim Water Acquisition Planning & Design	25,000	25,000	State of Nevada 1968 Bonds		
State of Nevada	State of Nevada 1967 Debenture #3	Nov 1967	Interim Water Acquisition Planning & Design	365,000	365,000	State of Nevada 1968 Bonds		
State of Nevada	State of Nevada 1968 Bonds	Jun 1968	First Stage of the State Facilities AMS Treatment Plant	8,900,000	5,580,000	State of Nevada 1994 Bonds	3,320,000	
State of Nevada	State of Nevada Federal Replacement Contract #1	Mar 1973	First Stage of the Federal Facilities Transmission	51,558,293	39,636,913	Clark County 0601 Bonds	11,921,380	
State of Nevada	State of Nevada 1978A Bonds	Jan 1979	Second Stage of the State Facilities Design & Equipment Purchase	13,000,000	9,125,000	State of Nevada 1994 Bonds	3,875,000	
State of Nevada	State of Nevada 1978B Bonds	Feb 1979	Second Stage of the State Facilities Construction	47,000,000	36,220,000	State of Nevada 1993 Bonds	10,780,000	
State of Nevada	State of Nevada 1982 Debenture	Jul 1982	New Computer System for the Second Stage State Facilities	3,000,000	3,000,000	State of Nevada 1978C Bonds		
State of Nevada	State of Nevada Federal Repayment Contract #2	Mar 1983	Second Stage of the Federal Facilities Transmission	131,480,402	122,617,366	Clark County 0601 Bonds	8,863,036	
State of Nevada	State of Nevada 1978C Bonds	Jul 1984	Refund the 1982 Debenture	3,000,000	2,595,000	State of Nevada 1990 Bonds	405,000	
State of Nevada	State of Nevada 1978D Bonds	Aug 1986	Relocate the Las Vegas Lateral Under the Las Vegas Wash	11,000,000	8,550,000	State of Nevada 1993 Bonds	2,450,000	
State of Nevada	State of Nevada 1990 Bonds	Aug 1990	Refund the 1978C Bond & Begin the Communications Project	6,550,000	3,340,000	State of Nevada 1993 Bonds	3,210,000	
State of Nevada	State of Nevada 1992 Bonds	Nov 1992	Lab Equipment Improvements Maintenance & Operations Facility	9,815,000	5,125,000	State of Nevada 1997B Bonds	4,690,000	

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Debt History

As of June 30, 2017

Page 2 of 5

Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance at 6/30/2017(\$)
State of Nevada	State of Nevada 1993 Bonds	Nov 1993	Refund the 1978B, 1978D and 1990 Bonds	46,805,000	23,125,000	State of Nevada 2003C Bonds	23,680,000	
State of Nevada	State of Nevada 1994 Bonds	Nov 1994	Refund the 1968 & 1978A Bonds & Begin Construction on the SNWA CIP	170,380,000	141,610,000	State of Nevada 1995, 2005H Bonds	28,770,000	
LVVWD	LVVWD Mar 1995 Bonds	Mar 1995	SNWA CIP Construction	20,000,000	12,775,000	LVVWD Apr 1998, 2005B Bonds	7,225,000	
LVVWD	LVVWD Jul 1995 Bonds	Jul 1995	SNWA CIP Construction	30,000,000	18,675,000	LVVWD Apr 1998, 2005B Bonds	11,325,000	
State of Nevada	State of Nevada 1995 Bonds	Dec 1995	Partially Refund the State of Nevada 1994 Bonds	118,590,000	118,590,000	State of Nevada 2006D Refunding Bonds		
LVVWD	LVVWD Jul 1996 Bonds	Jul 1996	SNWA CIP Construction	180,000,000	168,300,000	LVVWD Apr 1998, 2005B Bonds	11,700,000	
State of Nevada	State of Nevada 1997A Bonds	Sep 1997	Phase I of the Power Delivery Project	49,270,000	41,550,000	State of Nevada 2005I Bonds	7,720,000	
State of Nevada	State of Nevada 1997B Bonds	Sep 1997	Partially Refund the State of Nevada 1992 Bonds	5,545,000	2,210,000	State of Nevada 2010B Bonds	3,335,000	
LVVWD	LVVWD Commercial Paper	Jan 1998	SNWA CIP Construction	250,000,000	250,000,000	LVVWD Commercial Paper Payoff (2003)		
LVVWD	LVVWD Apr 1998 Bonds	Apr 1998	Partially Refund the LVVWD 0395, 0795, & 0796 Bonds	190,255,000	183,420,000	LVVWD 2008B Bonds	6,835,000	
State of Nevada	State of Nevada 0798 Bonds	Jul 1998	SNWA CIP Construction	300,000,000	275,750,000	State of Nevada 2005F, 2013 Bonds	24,250,000	
State of Nevada	State of Nevada 1999A Bonds	Sep 1999	Phase II of the Power Delivery Project	25,730,000	22,295,000	State of Nevada 2005I Bonds	3,435,000	
State of Nevada	Nevada Drinking Water State Revolving Fund Loan 1	Dec 1999	SNWA CIP Construction	12,269,695			9,826,365	2,443,330

SOUTHERN NEVADA WATER AUTHORITY

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Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance at 6/30/2017(\$)
Clark County	Clark County 0700 Bonds	Jul 2000	SNWA CIP Construction	200,000,000	175,105,000	Clark County 2006, 2009 Refunding Bonds	24,895,000	
Clark County	Clark County 0601 Bonds	Jun 2001	SNWA CIP Construction & Repay Federal Contracts	250,000,000	222,095,000	Clark County 2006, 1106, 2009 LVVWD 2011C, 2012A Refunding Bonds	27,905,000	
State of Nevada	Nevada Drinking Water State Revolving Fund Loan 2	Jun 2001	SNWA CIP Construction	10,000,000			7,118,695	2,881,305
Clark County	Clark County 1102 Bonds	Nov 2002	SNWA CIP Construction	200,000,000	180,790,000	Clark County 1106, 2009 LVVWD 2011C, 2012A Refunding Bonds	19,210,000	
LVVWD	LVVWD Commercial Paper Payoff	Jan 2003	Refund Jan 1998 LVVWD Commercial Paper Program	250,000,000	212,265,000	LVVWD 2009D, 2011C Refunding Bonds	37,735,000	
State of Nevada	State of Nevada 2003C Bonds	Sep 2003	Partially Refund State of Nevada 1993 Bonds	21,515,000	455,000	State of Nevada 2010B Bonds	21,060,000	
LVVWD	LVVWD Commercial Paper	Mar 2004	SNWA CIP Construction & Silverhawk Purchase	400,000,000				400,000,000
LVVWD	LVVWD 2005B Refunding Bonds	May 2005	Partially Refund LVVWD 0395, 0795, and 0796 Bonds	27,925,000			27,925,000	
State of Nevada	State of Nevada 2005F Refunding Bonds	May 2005	Partially Refund State of Nevada 0798 Bonds	249,365,000	225,855,000	LVVWD 2011B, 2011C, 2015B Refunding Bonds	23,510,000	
State of Nevada	State of Nevada 2005H Refunding Bonds	Apr 2005	Partially Refund State of Nevada 1994 Bonds	36,130,000	31,620,000	LVVWD 2015C Refunding Bonds	4,510,000	
State of Nevada	State of Nevada 2005I Refunding Bonds	Apr 2005	Partially Refund State of Nevada 1997A, 1999A Bonds	65,300,000	58,060,000	LVVWD 2011B, 2015C Refunding Bonds	7,240,000	
Clark County	Clark County 2006 Refunding Bonds	May 2006	Partially Refund of Clark County 0700, 0601 Bonds	242,880,000	220,920,000	LVVWD 2011B Clark County 2016A Refunding Bonds	21,960,000	
State of Nevada	State of Nevada 2006D Refunding Bonds	Jul 2006	Refund State of Nevada 1995 Bonds	111,840,000	86,045,000	State of Nevada 2010B LVVWD 2011B, 2016A Refunding Bonds	25,795,000	

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Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance at 6/30/2017(\$)
Clark County	Clark County 1106 Refunding Bonds	Nov 2006	SNWA CIP Construction & Partial Refund of Clark County 0601, 1102 Bonds	604,140,000	501,829,167	Clark County 2009, LVVWD 2011B, LVVWD 2011C, & Clark County 2016A Clark County 2016B Refunding Bonds	32,765,833	69,545,000
LVVWD	LVVWD 2008B Refunding Bonds	Feb 2008	Refund LVVWD April 1998 Bond	171,720,000	51,930,000	LVVWD 2011A Refunding Bonds	22,320,000	97,470,000
Clark County	Clark County 2008 Bonds	Jul 2008	SNWA CIP Construction	400,000,000	372,445,000	Clark County 2009 & LVVWD 2011C Clark County 2017 Refunding Bonds	17,920,000	9,635,000
SNWA	SNWA Clean Renewable Energy 2008 Bonds	Jul 2008	SNWA CIP Construction	6,900,000			4,140,000	2,760,000
LVVWD	LVVWD 2009A Bonds	Aug 2009	SNWA CIP Construction	90,000,000				90,000,000
LVVWD	LVVWD 2009B Bonds	Aug 2009	SNWA CIP Construction	10,000,000	7,675,000	LVVWD 2017B Refunding Bonds	1,490,000	835,000
Clark County	Clark County 2009 Refunding Bonds	Nov 2009	Partial Refund of Clark County 0700, 0601, 1102 1106, 2008 Bonds	50,000,000			9,825,000	40,175,000
State of Nevada	State of Nevada 2009 Bonds	Dec 2009	SNWA CIP Construction	2,214,457			632,702	1,581,755
LVVWD	LVVWD 2009C Bonds	Dec 2009	SNWA CIP Construction	348,115,000	348,115,000	LVVWD 2015 Refunding Bonds		
LVVWD	LVVWD 2009D Bonds	Dec 2009	Partial Refund of LVVWD Commercial Paper Payoff (Jan 03)	71,965,000	15,600,000	LVVWD 2017B Refunding Bonds	15,375,000	40,990,000
State of Nevada	State of Nevada 2010B Refunding Bonds	Jun 2010	Refund of State of Nevada 1997B & Partial Refund of State of Nevada 2003C & 2006D Bonds	7,405,000			4,000,000	3,405,000
LVVWD	LVVWD 2011A Refunding Bonds	May 2011	Partial Refund of LVVWD 2008B Bonds	58,110,000			8,755,000	49,355,000
LVVWD	LVVWD 2011B Refunding Bonds	Oct 2011	Partial Refund of the State of Nevada 2005I, 2006D, 2005F & Clark County 1106 Bonds	129,650,000			18,695,000	110,955,000

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Statistical Section (Unaudited)

Debt History

As of June 30, 2017

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Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance at 6/30/2017(\$)
LVVWD	LVVWD 2011C Refunding Bonds	Oct 2011	Partial Refund of Clark County 0601, 1102, 1106, 2008, State of Nevada 2005F Bonds & LVVWD Commercial Paper Payoff	267,815,000			46,990,000	220,825,000
Clark County	Clark County 2012 Refunding Bonds	Jun 2012	Refund of Clark County 0601, 1102 Bonds	85,015,000			5,500,000	79,515,000
LVVWD	LVVWD 2012B Bonds	Jul 2012	SNWA CIP Construction	360,000,000			20,445,000	339,555,000
State of Nevada	State of Nevada 2013 Refunding Bonds	Feb 2013	Refunding of State of Nevada 0798 Bonds	21,720,000				21,720,000
LVVWD	LVVWD 2015 Refunding Bonds	Jan 2015	Refunding of LVVWD 2009C Bonds	332,405,000				332,405,000
LVVWD	LVVWD 2015B Refunding Bonds	Jun 2015	Refunding of State of Nevada 2005F Bonds	177,635,000			10,675,000	166,960,000
LVVWD	LVVWD 2015C Refunding Bonds	Jun 2015	Refunding State of Nevada 2005H, 2005I Bonds	42,125,000			2,640,000	39,485,000
Clark County	Clark County 2016A Refunding Bonds	Mar 2016	Partial Refunding of Clark County 2006 & Clark County 1106 Bonds	263,955,000			13,755,000	250,200,000
LVVWD	LVVWD 2016A Refunding Bonds	Apr 2016	Partial Refunding of State of Nevada 2006D Bonds & New Money	497,785,000			5,530,000	492,255,000
Clark County	Clark County 2016B Refunding Bonds	Aug 2016	Refunding of Clark County 1106 Bonds	271,670,000				271,670,000
LVVWD	LVVWD 2017B Refunding Bonds	Mar 2017	Refunding of LVVWD 2009B LVVWD 2009D Bonds	22,115,000				22,115,000
Clark County	Clark County 2017 Refunding Bonds	Mar 2017	Refunding of Clark County 2008 Bonds	321,640,000				321,640,000
				\$ 8,363,602,847	\$ 4,205,293,446		\$ 677,933,011	\$ 3,480,376,390

(Totals may not add due to rounding)

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
Individual Debt Service Schedules
As of June 30, 2017

Fiscal Year	Nevada Drinking Water State Revolving Fund Loan 1			Nevada Drinking Water State Revolving Fund Loan 2		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 785,484	\$ 81,179	\$ 866,663	\$ 602,414	\$ 94,527	\$ 696,941
2019	814,096	52,567	866,663	623,438	73,503	696,941
2020	843,750	22,913	866,663	645,196	51,746	696,941
2021	-	-	-	667,712	29,229	696,941
2022	-	-	-	342,545	5,926	348,471
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
2046	-	-	-	-	-	-
Totals	\$ 2,443,330	\$ 156,658	\$ 2,599,988	\$ 2,881,305	\$ 254,930	\$ 3,136,235

(Totals may not add due to rounding)

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
Individual Debt Service Schedules
As of June 30, 2017

Fiscal Year	LVVWD Commercial Paper			⁽¹⁾	Clark County 1106 Refunding Bonds		
	Principal	Interest	Total		Principal	Interest	Total
2018	\$ 400,000,000	\$ 5,000,000	\$ 405,000,000		\$ -	\$ 1,965,425	\$ 1,965,425
2019	-	-	-		-	1,965,425	1,965,425
2020	-	-	-		-	1,965,425	1,965,425
2021	-	-	-		-	1,965,425	1,965,425
2022	-	-	-		-	1,965,425	1,965,425
2023	-	-	-		-	1,965,425	1,965,425
2024	-	-	-		-	1,965,425	1,965,425
2025	-	-	-		-	1,965,425	1,965,425
2026	-	-	-		-	1,965,425	1,965,425
2027	-	-	-		-	1,965,425	1,965,425
2028	-	-	-		-	1,965,425	1,965,425
2029	-	-	-		-	1,965,425	1,965,425
2030	-	-	-		-	1,965,425	1,965,425
2031	-	-	-		-	1,965,425	1,965,425
2032	-	-	-		-	1,965,425	1,965,425
2033	-	-	-		-	1,965,425	1,965,425
2034	-	-	-		21,830,000	1,637,975	23,467,975
2035	-	-	-		-	1,310,525	1,310,525
2036	-	-	-		23,530,000	957,575	24,487,575
2037	-	-	-		24,185,000	302,313	24,487,313
2038	-	-	-		-	-	-
2039	-	-	-		-	-	-
2040	-	-	-		-	-	-
2041	-	-	-		-	-	-
2042	-	-	-		-	-	-
2043	-	-	-		-	-	-
2044	-	-	-		-	-	-
2045	-	-	-		-	-	-
2046	-	-	-		-	-	-
Totals	\$ 400,000,000	\$ 5,000,000	\$ 405,000,000		\$ 69,545,000	\$ 35,655,188	\$ 105,200,188

(Totals may not add due to rounding)

⁽¹⁾ The SNWA intends to fund the \$405 million of maturing commercial paper by issuing new commercial paper.

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
Individual Debt Service Schedules
As of June 30, 2017

Fiscal Year	LVVWD 2008B Bonds			Clark County 2008 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 8,835,000	\$ 4,680,681	\$ 13,515,681	\$ 9,635,000	\$ 481,750	\$ 10,116,750
2019	9,285,000	4,238,931	13,523,931	-	-	-
2020	9,760,000	3,774,681	13,534,681	-	-	-
2021	10,255,000	3,286,681	13,541,681	-	-	-
2022	10,780,000	2,773,931	13,553,931	-	-	-
2023	11,330,000	2,234,931	13,564,931	-	-	-
2024	11,825,000	1,753,406	13,578,406	-	-	-
2025	12,385,000	1,206,500	13,591,500	-	-	-
2026	13,015,000	618,213	13,633,213	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
2046	-	-	-	-	-	-
Totals	\$ 97,470,000	\$ 24,567,956	\$ 122,037,956	\$ 9,635,000	\$ 481,750	\$ 10,116,750

(Totals may not add due to rounding)

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
Individual Debt Service Schedules
As of June 30, 2017

Fiscal Year	SNWA Clean Renewable Energy 2008 Bonds			LVVWD 2009A Bonds		
	Principal	Interest	Total	Principal	Interest*	Total
2018	\$ 460,000	\$ 29,601	\$ 489,601	\$ -	\$ 6,390,000	\$ 6,390,000
2019	460,000	24,219	484,219	-	6,390,000	6,390,000
2020	460,000	18,837	478,837	-	6,390,000	6,390,000
2021	460,000	13,455	473,455	-	6,390,000	6,390,000
2022	460,000	8,073	468,073	-	6,390,000	6,390,000
2023	460,000	2,691	462,691	-	6,390,000	6,390,000
2024	-	-	-	-	6,390,000	6,390,000
2025	-	-	-	-	6,390,000	6,390,000
2026	-	-	-	-	6,390,000	6,390,000
2027	-	-	-	-	6,390,000	6,390,000
2028	-	-	-	-	6,390,000	6,390,000
2029	-	-	-	-	6,390,000	6,390,000
2030	-	-	-	-	6,390,000	6,390,000
2031	-	-	-	-	6,390,000	6,390,000
2032	-	-	-	-	6,390,000	6,390,000
2033	-	-	-	1,620,000	6,390,000	8,010,000
2034	-	-	-	1,700,000	6,274,980	7,974,980
2035	-	-	-	1,775,000	6,154,280	7,929,280
2036	-	-	-	1,855,000	6,028,255	7,883,255
2037	-	-	-	1,940,000	5,896,550	7,836,550
2038	-	-	-	26,520,000	5,758,810	32,278,810
2039	-	-	-	54,590,000	3,875,890	58,465,890
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
2046	-	-	-	-	-	-
Totals	\$ 2,760,000	\$ 96,876	\$ 2,856,876	\$ 90,000,000	\$ 136,228,765	\$ 226,228,765

(Totals may not add due to rounding)

* Interest shown is gross of Build America Bond Subsidy.

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
Individual Debt Service Schedules
As of June 30, 2017

Fiscal Year	LVVWD 2009B Bonds			Clark County 2009 Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 410,000	\$ 33,400	\$ 443,400	\$ 2,270,000	\$ 2,008,750	\$ 4,278,750
2019	425,000	17,000	442,000	2,380,000	1,895,250	4,275,250
2020	-	-	-	2,500,000	1,776,250	4,276,250
2021	-	-	-	2,625,000	1,651,250	4,276,250
2022	-	-	-	2,755,000	1,520,000	4,275,000
2023	-	-	-	2,895,000	1,382,250	4,277,250
2024	-	-	-	3,040,000	1,237,500	4,277,500
2025	-	-	-	3,190,000	1,085,500	4,275,500
2026	-	-	-	3,350,000	926,000	4,276,000
2027	-	-	-	3,520,000	758,500	4,278,500
2028	-	-	-	3,695,000	582,500	4,277,500
2029	-	-	-	3,880,000	397,750	4,277,750
2030	-	-	-	4,075,000	203,750	4,278,750
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
2046	-	-	-	-	-	-
Totals	\$ 835,000	\$ 50,400	\$ 885,400	\$ 40,175,000	\$ 15,425,250	\$ 55,600,250

(Totals may not add due to rounding)

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
Individual Debt Service Schedules
As of June 30, 2017

Fiscal Year	State of Nevada 2009 Bonds			LVVWD 2009D Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 126,540	\$ -	\$ 126,540	\$ 3,550,000	\$ 2,045,738	\$ 5,595,738
2019	126,540	-	126,540	3,730,000	1,868,238	5,598,238
2020	126,540	-	126,540	2,675,000	1,681,738	4,356,738
2021	126,540	-	126,540	2,810,000	1,547,988	4,357,988
2022	126,540	-	126,540	2,950,000	1,407,488	4,357,488
2023	126,540	-	126,540	3,095,000	1,259,988	4,354,988
2024	126,540	-	126,540	3,250,000	1,105,238	4,355,238
2025	126,540	-	126,540	3,385,000	967,113	4,352,113
2026	126,540	-	126,540	3,560,000	797,863	4,357,863
2027	126,540	-	126,540	3,740,000	619,863	4,359,863
2028	126,540	-	126,540	2,610,000	432,863	3,042,863
2029	126,540	-	126,540	2,745,000	295,838	3,040,838
2030	63,270	-	63,270	2,890,000	151,725	3,041,725
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
2046	-	-	-	-	-	-
Totals	\$ 1,581,755	\$ -	\$ 1,581,755	\$ 40,990,000	\$ 14,181,675	\$ 55,171,675

(Totals may not add due to rounding)

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
Individual Debt Service Schedules
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Fiscal Year	State of Nevada 2010B Refunding Bonds			LVVWD 2011A Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
2046	-	-	-	-	-	-
Totals	\$ 3,405,000	\$ 254,586	\$ 3,659,586	\$ 49,355,000	\$ 13,268,387	\$ 62,623,387

(Totals may not add due to rounding)

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
Individual Debt Service Schedules
As of June 30, 2017

Fiscal Year	LVVWD 2011B Refunding Bonds			LVVWD 2011C Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
2046	-	-	-	-	-	-
Totals	\$ 110,955,000	\$ 27,829,256	\$ 138,784,256	\$ 220,825,000	\$ 101,504,788	\$ 322,329,788

(Totals may not add due to rounding)

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
Individual Debt Service Schedules
As of June 30, 2017

Fiscal Year	Clark County 2012 Refunding Bonds			LVVWD 2012B Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
2046	-	-	-	-	-	-
Totals	\$ 79,515,000	\$ 43,063,600	\$ 122,578,600	\$ 339,555,000	\$ 250,640,500	\$ 590,195,500

(Totals may not add due to rounding)

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
Individual Debt Service Schedules
As of June 30, 2017

Fiscal Year	State of Nevada 2013 Refunding Bonds			LVVWD 2015 Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ -	\$ 651,600	\$ 651,600	\$ -	\$ 16,370,250	\$ 16,370,250
2019	-	651,600	651,600	-	16,370,250	16,370,250
2020	-	651,600	651,600	-	16,370,250	16,370,250
2021	-	651,600	651,600	-	16,370,250	16,370,250
2022	-	651,600	651,600	-	16,370,250	16,370,250
2023	-	651,600	651,600	-	16,370,250	16,370,250
2024	-	651,600	651,600	-	16,370,250	16,370,250
2025	-	651,600	651,600	-	16,370,250	16,370,250
2026	-	651,600	651,600	-	16,370,250	16,370,250
2027	-	651,600	651,600	-	16,370,250	16,370,250
2028	21,720,000	325,800	22,045,800	-	16,370,250	16,370,250
2029	-	-	-	-	16,370,250	16,370,250
2030	-	-	-	-	16,370,250	16,370,250
2031	-	-	-	6,440,000	16,370,250	22,810,250
2032	-	-	-	23,245,000	16,048,250	39,293,250
2033	-	-	-	37,245,000	14,886,000	52,131,000
2034	-	-	-	39,100,000	13,023,750	52,123,750
2035	-	-	-	41,055,000	11,068,750	52,123,750
2036	-	-	-	43,065,000	9,061,350	52,126,350
2037	-	-	-	45,175,000	6,955,650	52,130,650
2038	-	-	-	47,380,000	4,746,800	52,126,800
2039	-	-	-	49,700,000	2,430,100	52,130,100
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
2046	-	-	-	-	-	-
Totals	\$ 21,720,000	\$ 6,841,800	\$ 28,561,800	\$ 332,405,000	\$ 307,404,150	\$ 639,809,150

(Totals may not add due to rounding)

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
Individual Debt Service Schedules
As of June 30, 2017

Fiscal Year	LVVWD 2015B Refunding Bonds			LVVWD 2015C Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 11,165,000	\$ 7,952,075	\$ 19,117,075	\$ 2,730,000	\$ 1,836,875	\$ 4,566,875
2019	11,680,000	7,439,350	19,119,350	2,835,000	1,725,575	4,560,575
2020	12,215,000	6,900,375	19,115,375	2,960,000	1,594,875	4,554,875
2021	12,840,000	6,274,000	19,114,000	3,105,000	1,443,250	4,548,250
2022	13,500,000	5,615,500	19,115,500	3,260,000	1,284,125	4,544,125
2023	14,195,000	4,923,125	19,118,125	3,420,000	1,117,125	4,537,125
2024	14,920,000	4,195,250	19,115,250	3,590,000	941,875	4,531,875
2025	15,680,000	3,430,250	19,110,250	3,765,000	758,000	4,523,000
2026	25,040,000	2,412,250	27,452,250	3,950,000	565,125	4,515,125
2027	26,310,000	1,128,500	27,438,500	4,145,000	362,750	4,507,750
2028	9,415,000	235,375	9,650,375	4,355,000	150,250	4,505,250
2029	-	-	-	1,150,000	24,125	1,174,125
2030	-	-	-	220,000	3,438	223,438
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
2046	-	-	-	-	-	-
Totals	\$ 166,960,000	\$ 50,506,050	\$ 217,466,050	\$ 39,485,000	\$ 11,807,388	\$ 51,292,388

(Totals may not add due to rounding)

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
Individual Debt Service Schedules
As of June 30, 2017

Fiscal Year	Clark County 2016A Refunding Bonds			LVVWD 2016A Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 23,295,000	\$ 11,927,625	\$ 35,222,625	\$ 11,045,000	\$ 24,115,000	\$ 35,160,000
2019	24,505,000	10,732,625	35,237,625	11,995,000	23,783,650	35,778,650
2020	25,755,000	9,476,125	35,231,125	12,470,000	23,303,850	35,773,850
2021	27,075,000	8,155,375	35,230,375	15,070,000	22,805,050	37,875,050
2022	28,460,000	6,767,000	35,227,000	16,250,000	22,051,550	38,301,550
2023	18,625,000	5,589,875	24,214,875	17,325,000	21,239,050	38,564,050
2024	19,635,000	4,633,375	24,268,375	18,185,000	20,372,800	38,557,800
2025	20,700,000	3,625,000	24,325,000	9,600,000	19,463,550	29,063,550
2026	21,835,000	2,561,625	24,396,625	1,610,000	18,983,550	20,593,550
2027	9,215,000	1,785,375	11,000,375	11,455,000	18,935,250	30,390,250
2028	9,770,000	1,310,750	11,080,750	12,025,000	18,362,500	30,387,500
2029	10,350,000	807,750	11,157,750	12,625,000	17,761,250	30,386,250
2030	10,980,000	274,500	11,254,500	13,260,000	17,130,000	30,390,000
2031	-	-	-	13,920,000	16,467,000	30,387,000
2032	-	-	-	14,615,000	15,771,000	30,386,000
2033	-	-	-	15,350,000	15,040,250	30,390,250
2034	-	-	-	16,115,000	14,272,750	30,387,750
2035	-	-	-	16,920,000	13,467,000	30,387,000
2036	-	-	-	17,770,000	12,621,000	30,391,000
2037	-	-	-	18,655,000	11,732,500	30,387,500
2038	-	-	-	19,590,000	10,799,750	30,389,750
2039	-	-	-	20,570,000	9,820,250	30,390,250
2040	-	-	-	21,595,000	8,791,750	30,386,750
2041	-	-	-	22,675,000	7,712,000	30,387,000
2042	-	-	-	23,810,000	6,578,250	30,388,250
2043	-	-	-	25,000,000	5,387,750	30,387,750
2044	-	-	-	26,250,000	4,137,750	30,387,750
2045	-	-	-	27,565,000	2,825,250	30,390,250
2046	-	-	-	28,940,000	1,447,000	30,387,000
Totals	\$ 250,200,000	\$ 67,647,000	\$ 317,847,000	\$ 492,255,000	\$ 425,178,300	\$ 917,433,300

(Totals may not add due to rounding)

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
Individual Debt Service Schedules
As of June 30, 2017

Fiscal Year	Clark County 2016B Refunding Bonds			LVVWD 2017B Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 3,785,000	\$ 12,983,225	\$ 16,768,225	\$ -	\$ 1,027,125	\$ 1,027,125
2019	3,965,000	12,789,475	16,754,475	-	1,027,125	1,027,125
2020	4,160,000	12,586,350	16,746,350	1,605,000	1,027,125	2,632,125
2021	4,370,000	12,373,100	16,743,100	1,695,000	946,875	2,641,875
2022	4,590,000	12,149,100	16,739,100	1,775,000	862,125	2,637,125
2023	16,140,000	11,630,850	27,770,850	1,865,000	773,375	2,638,375
2024	16,935,000	10,803,975	27,738,975	1,955,000	680,125	2,635,125
2025	17,765,000	9,936,475	27,701,475	2,055,000	582,375	2,637,375
2026	18,635,000	9,026,475	27,661,475	2,155,000	479,625	2,634,625
2027	35,660,000	7,669,100	43,329,100	2,270,000	371,875	2,641,875
2028	37,435,000	5,841,725	43,276,725	1,770,000	258,375	2,028,375
2029	27,870,000	4,209,100	32,079,100	1,855,000	169,875	2,024,875
2030	14,525,000	3,149,225	17,674,225	1,935,000	95,675	2,030,675
2031	15,270,000	2,404,350	17,674,350	580,000	37,625	617,625
2032	15,970,000	1,703,200	17,673,200	600,000	19,500	619,500
2033	16,625,000	1,051,300	17,676,300	-	-	-
2034	-	718,800	718,800	-	-	-
2035	17,970,000	359,400	18,329,400	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
2046	-	-	-	-	-	-
Totals	\$ 271,670,000	\$ 131,385,225	\$ 403,055,225	\$ 22,115,000	\$ 8,358,800	\$ 30,473,800

(Totals may not add due to rounding)

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)
Individual Debt Service Schedules
As of June 30, 2017

Fiscal Year	Clark County 2017 Refunding Bonds			GRAND TOTAL		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ -	\$ 14,442,600	\$ 14,442,600	\$ 512,089,438	\$ 151,861,559	\$ 663,950,997
2019	9,910,000	14,442,600	24,352,600	117,564,075	141,792,232	259,356,307
2020	10,405,000	13,947,100	24,352,100	122,960,486	136,298,202	259,258,688
2021	10,920,000	13,426,850	24,346,850	128,829,253	130,444,282	259,273,535
2022	11,470,000	12,880,850	24,350,850	135,069,085	124,272,843	259,341,928
2023	12,045,000	12,307,350	24,352,350	141,681,540	117,601,107	259,282,647
2024	12,645,000	11,705,100	24,350,100	148,191,540	110,651,838	258,843,378
2025	13,275,000	11,072,850	24,347,850	146,056,540	103,299,185	249,355,725
2026	13,940,000	10,409,100	24,349,100	153,531,540	95,771,106	249,302,646
2027	14,635,000	9,712,100	24,347,100	152,756,540	88,002,809	240,759,349
2028	15,370,000	8,980,350	24,350,350	144,286,540	80,407,738	224,694,278
2029	16,140,000	8,211,850	24,351,850	115,036,540	74,505,038	189,541,578
2030	16,945,000	7,404,850	24,349,850	120,923,270	69,235,913	190,159,183
2031	17,790,000	6,557,600	24,347,600	99,595,000	63,761,525	163,356,525
2032	18,505,000	5,846,000	24,351,000	103,735,000	59,327,875	163,062,875
2033	19,245,000	5,105,800	24,350,800	109,035,000	54,610,775	163,645,775
2034	20,010,000	4,336,000	24,346,000	118,655,000	49,488,755	168,143,755
2035	20,815,000	3,535,600	24,350,600	119,390,000	44,164,005	163,554,005
2036	21,650,000	2,703,000	24,353,000	129,730,000	38,637,630	168,367,630
2037	22,515,000	1,837,000	24,352,000	135,375,000	32,940,213	168,315,213
2038	23,410,000	936,400	24,346,400	140,910,000	27,357,510	168,267,510
2039	-	-	-	144,500,000	20,095,840	164,595,840
2040	-	-	-	42,160,000	11,836,350	53,996,350
2041	-	-	-	44,205,000	9,788,000	53,993,000
2042	-	-	-	46,355,000	7,640,150	53,995,150
2043	-	-	-	25,000,000	5,387,750	30,387,750
2044	-	-	-	26,250,000	4,137,750	30,387,750
2045	-	-	-	27,565,000	2,825,250	30,390,250
2046	-	-	-	28,940,000	1,447,000	30,387,000
Totals	\$ 321,640,000	\$ 179,800,950	\$ 501,440,950	\$ 3,480,376,390	\$ 1,857,590,227	\$ 5,337,966,617

(Totals may not add due to rounding)

⁽¹⁾ Includes payment of \$405 million of maturing commercial paper. The SNWA intends to fund such maturities by issuing new commercial paper.

**Independent Auditors'
Report on
Internal Control
and Compliance**



SOUTHERN NEVADA WATER AUTHORITY®

**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, 2017, 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 1, 2017.

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; and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017 - 001 that we consider to be a significant deficiency.

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, including whether the funds established by SNWA, as listed in Nevada Revised Statutes (NRS) 354.624 (5)(a)(1 through 5), complied with the express purposes required by NRS 354.6241. 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.

SNWA's Response to Findings. SNWA's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. SNWA's response was not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

We noted certain matters that we reported to SNWA in a separate letter dated November 1, 2017.

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's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Piercy Bowls Taylor: Ken

Las Vegas, Nevada
November 1, 2017