



SOUTHERN NEVADA
WATER AUTHORITY®

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For Fiscal Years Ended June 30, 2023 and 2022





SOUTHERN NEVADA WATER AUTHORITY™

Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2023 and 2022

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Introductory Section

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



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October 17, 2023

To the Board of Directors
and Member Agencies

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Southern Nevada Water Authority (SNWA) for the fiscal year ended June 30, 2023. Nevada Revised Statute (NRS) 354.624 and bond covenants require an annual audit of the SNWA's basic financial statements conducted in accordance with generally accepted auditing standards in the United States. The presentation of this ACFR is intended to satisfy those requirements.

Management is responsible for the contents of this ACFR, which conforms with generally accepted accounting principles in the United States (GAAP). Management has established a comprehensive framework of internal controls to provide a reasonable basis for asserting that the basic financial statements are presented fairly and free of material misstatement. Because the cost of internal controls should not outweigh their anticipated benefits, they are designed to provide reasonable, rather than absolute, assurance.

The basic financial statements were audited by Baker Tilly US, LLP. Based on the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified ("clean") opinion that the basic financial statements are fairly presented in conformity with GAAP. The independent auditor's report is located as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

PROFILE OF THE SNWA

The SNWA treats and delivers wholesale water to its purveyor members that serve the major metropolitan areas of Clark County, Nevada. This includes the world-famous Las Vegas Strip known for its concentration of resort hotels and casinos. In 2022, the SNWA's service area population was 2.27 million. This service area is arid desert characterized by small amounts of precipitation, little snow, low humidity, abundant sunshine, short and relatively mild winters, long hot summers, and wide extremes in daily temperatures.

The SNWA is a political subdivision of the State of Nevada (State), created in 1991 by a cooperative agreement among the SNWA's member agencies. The SNWA addresses 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. The SNWA has no employees of its own as the Las Vegas Valley Water District (LVVWD) serves as the operating agent for the SNWA. The General Manager and officers of the SNWA are appointed by the Board and serve the LVVWD in the same capacity. 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 SNWA's mission statement is to:

"Provide world class water service in a sustainable, adaptive and responsible manner to our customers through reliable, cost-effective systems"

The annual budget serves as the foundation of the SNWA's financial planning and control systems. As required by NRS Chapter 354, 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. The State requires budgets to be submitted on a fund basis; the SNWA has only one fund, an enterprise fund. Although the legal level of budgetary control is at the fund level, the SNWA exercises budgetary control at the department and division levels.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy – Most expectations are for continued post-pandemic recovery in 2023 and 2024. According to a report from the University of Nevada, Las Vegas' Center for Business and Economic Research (CBER) issued in April 2023 the economy is expected to show continued improvement over the next two calendar years. However, the CBER report indicates that gross gaming revenue over time will likely return to pre-pandemic trends as savings and discretionary income return to where they were before the pandemic, adjusted for higher wages and inflation.

Additional economic factors and assumptions influencing the local economy are:

- Southern Nevada population will grow at 1.8 percent in 2023 and 1.4 percent in 2024.
- Employment will grow at 2.8 percent in 2023 and 1.8 percent in 2024.
- Visitor volume will grow at 7.7 percent in 2023 and 1.2 percent in 2024.
- Gross gaming revenue will decline 2.9 percent in 2023 and decline 2.8 percent in 2024.
- Unemployment declined slightly from 6.2 percent in June 2022 to 6.0 percent in June 2023. Although an insignificant improvement over the prior year, unemployment has declined a significant 16.4 percent from the same period three years ago, which was heavily impacted by COVID-19.
- Visitor volume was 3.4 million in June 2023, an increase of nearly 100,000 visitors from the same time in the prior year.
- Gaming revenues averaged nearly a billion dollars per month in April, May, and June 2023. This is about the same as 2022 during the same months.
- Approximately 537,700 people attended conventions in the first half of 2023 on average. This is nearly a 121,000 attendee increase per month from the 2022 average. Conventions have seen a significant recovery since October of 2022 and have returned to pre-pandemic levels.
- Taxable sales in Clark County were \$5.6 billion in May 2023, which is an increase of 5.3 percent over May 2022 and an increase of 22.4 percent over May 2021.

There are a few scenarios that can impact the forecasts. High inflation over the past two years has eroded purchasing power, which can lead to slower recoveries within Clark County's tourism industry amid economic uncertainty. As a result, rising interest rates negatively impacts consumer abilities to borrow money and spend. The effects of COVID-19 are still lingering, but many economic indicators have since recovered to pre-pandemic levels. Globally, the Russia-Ukraine war has added further uncertainty.

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.

The SNWA regards its cash reserves as a critical component of its fiscal health. Cash reserves are monitored regularly and revenue shortfalls are managed through a combination of methods. Departments are required to practice careful management of financial resources. Water rates are adjusted to maintain required revenue bond coverage and sufficient working capital. Financial reserves are used sparingly. When used, the reserves are compared to long-range projections of reserve levels, and modifications to revenue and expense streams are made as needed.

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.

Debt Activity - As of June 30, 2023, the SNWA has \$3.1 billion in outstanding debt (see Note 17). 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. The SNWA remains in compliance with its bond covenants.

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, 2023, are listed below.

	Moody's	Standard & Poor's
LVVWD	Aa1	AA
State of Nevada Bond Bank	Aa1	AAA
Clark County Bond Bank	Aa1	AA+

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 SNWA evaluates, on an ongoing basis, opportunities to improve efficiencies and performance through major initiatives. The following were major initiatives for fiscal year 2023 unless otherwise indicated.

Scientific projections suggest that the Colorado River Basin is experiencing permanent aridification, meaning that the region is shifting to a drier future because of gradual climate warming. As a result, the combined storage in Lake Powell and Lake Mead was just 33 percent of capacity as of January 2023, and future water level declines are expected. With such uncertainty, swift and significant local, regional, and federal efforts are critical to reduce basin-wide Colorado River water consumption and to protect water levels in the Colorado River’s two main reservoirs.

The Colorado River Basin experienced somewhat of a hydrologic reprieve from the drought this past winter raising system capacity by 10 percent over last summer. The increase in precipitation and runoff helped to raise reservoir levels enough for the Bureau of Reclamation to declare the Basin in Tier 1 shortage conditions for 2024 – adjusted from Tier 2 shortages in 2023. While this year’s precipitation helped to bring Lake Mead back from dangerously low levels, significant demand reduction is necessary to ensure a sustainable future on the river.

Because nearly 60 percent of all water delivered by SNWA is used consumptively – primarily for landscape irrigation and evaporative cooling – reducing consumptive water use continues to be a primary focus area for SNWA conservation programs. SNWA’s efforts include removing nonfunctional grass, implementing policies that limit new grass installations and prohibit new golf courses, reducing golf course water budgets by one-third, and providing incentive programs for water users to convert to water smart landscaping and install water efficient technologies. SNWA has also worked with its member agencies and local jurisdictions to enact policies limiting pool size, prohibiting the use of evaporative cooling in new construction, and adopting punitive water rates for excessive usage.

SNWA is working extensively to secure additional funding for conservation programs and infrastructure projects. In the last year, the agency has requested more than \$400 million in federal funding for projects such as its extensive conservation programs, SNWA Calico Ridge Rate of Flow Control Station, septic conversions, Boulder City Wastewater Recycling, Las Vegas Wash erosion control structures, and evaporative cooling conversions.

The Major Construction and Capital Plan (MCCP) identifies capital initiatives, including water resource acquisition; system expansion; and construction, repair, and replacement of water facilities. Projects outlined in the MCCP are funded by the SNWA’s bond proceeds and revenue generated by the SNWA’s water bill charges, connection charges, sales tax proceeds, and Southern Nevada Public Land Management Act funds, when available.

CONTINUING DISCLOSURE

On November 10, 1994, the U.S. Securities and Exchange Commission amended the Securities Exchange Act of 1934, Rule 15c2-12, regarding continuing disclosure by issuers of municipal securities for the benefit of holders of such securities. The amendments require, among other things, that certain annual financial information be provided to various information repositories for bond issues sold on or after July 3, 1995. The annual financial information must include an update of the same financial statements, except for forecasts, that were included in the final official statement issued at the time of the bond sale. The required annual financial information for the SNWA is available on the Electronic Municipal Market Access website, the Municipal Securities Rulemaking Board’s central repository.

AWARDS AND ACKNOWLEDGMENTS

ACFR – The Government Finance Officers Association (GFOA) of the United States and Canada awarded a “Certificate of Achievement for Excellence in Financial Reporting” to the SNWA for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government financial reports.

To receive this award, a governmental unit must publish an easily readable and efficiently organized financial report that conforms to program standards. Such reports must satisfy both accounting principles generally accepted in the United States (GAAP) as well as other applicable legal requirements. The SNWA has received this award for the last 27 consecutive years.

We believe this report continues to conform to certificate requirements and plan to submit it to the GFOA after approval from the Board.

Budget – In addition, the SNWA has also received its 23rd GFOA’s “Distinguished Budget Presentation Award” for its budget document. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as an operations guide, a financial plan, and a policy and communication document.

The Distinguished Budget Presentation Award is awarded on an annual basis. We believe the current budget continues to conform to program requirements, and we have submitted it for award consideration.

Conservation - In October 2022, the Wall Street Journal recognized Southern Nevada as “one of the most water-minded places on Earth” as a result of the community’s water conservation efforts. The piece highlighted SNWA’s conservation programs and how they have contributed to the community’s reduction of Colorado River water usage despite increasing population.

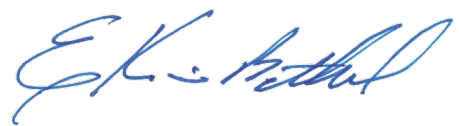
SNWA - The SNWA was a recipient of the Water Environment Foundation's *Utility of the Future Today Award*, for demonstrating an organizational culture that successfully develops and nurtures proactive relationships with stakeholders through effective partnerships and engagement.

Other Acknowledgments – We express our appreciation to the accounting staff for their dedication in the preparation of this report, the staff members of other departments for their assistance and the auditors (Baker Tilly US, LLP) for their professional services. We also acknowledge the members of the Board of Directors for their continued support and sound governance.

Sincerely,



John J. Entsminger
General Manager



E. Kevin Bethel
Chief Financial Officer

SOUTHERN NEVADA WATER AUTHORITY

List of Principal Officials

As of October 17, 2023

Board of Directors



Marilyn Kirkpatrick, Chair
Las Vegas Valley Water District



Dan Stewart, Vice Chair
City of Henderson



Steve Walton
City of Boulder City



Scott Black
City of North
Las Vegas



Olivia Diaz
City of Las Vegas



James Gibson
Big Bend Water District



Justin Jones
Clark County Water
Reclamation District

Executive Management



John J. Entsminger
General Manager



David L. Johnson
Deputy General Manager
Operations



Colby N. Pellegrino
Deputy General Manager
Resources



Doa J. Ross
Deputy General Manager
Engineering



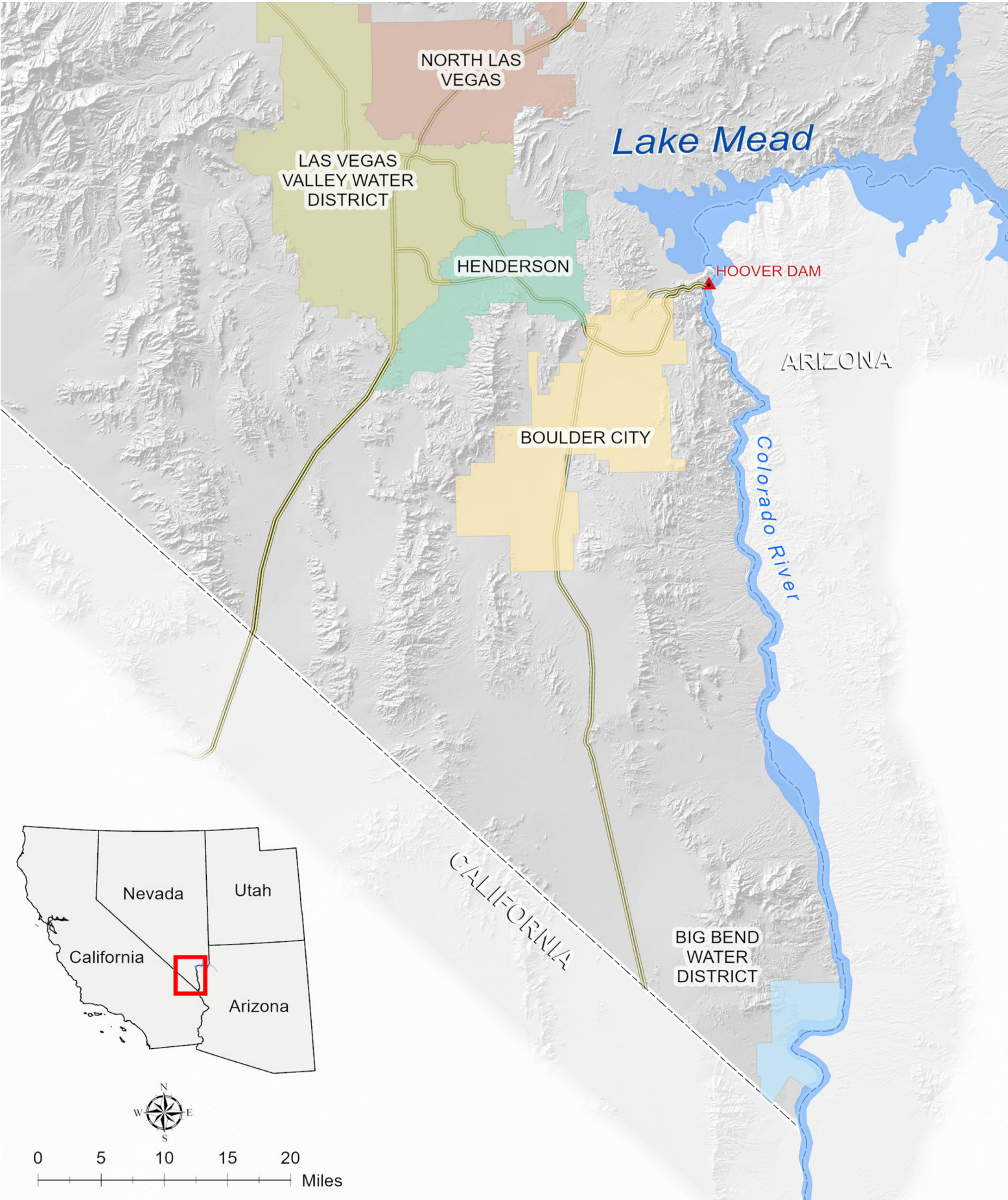
E. Kevin Bethel
Chief Financial
Officer



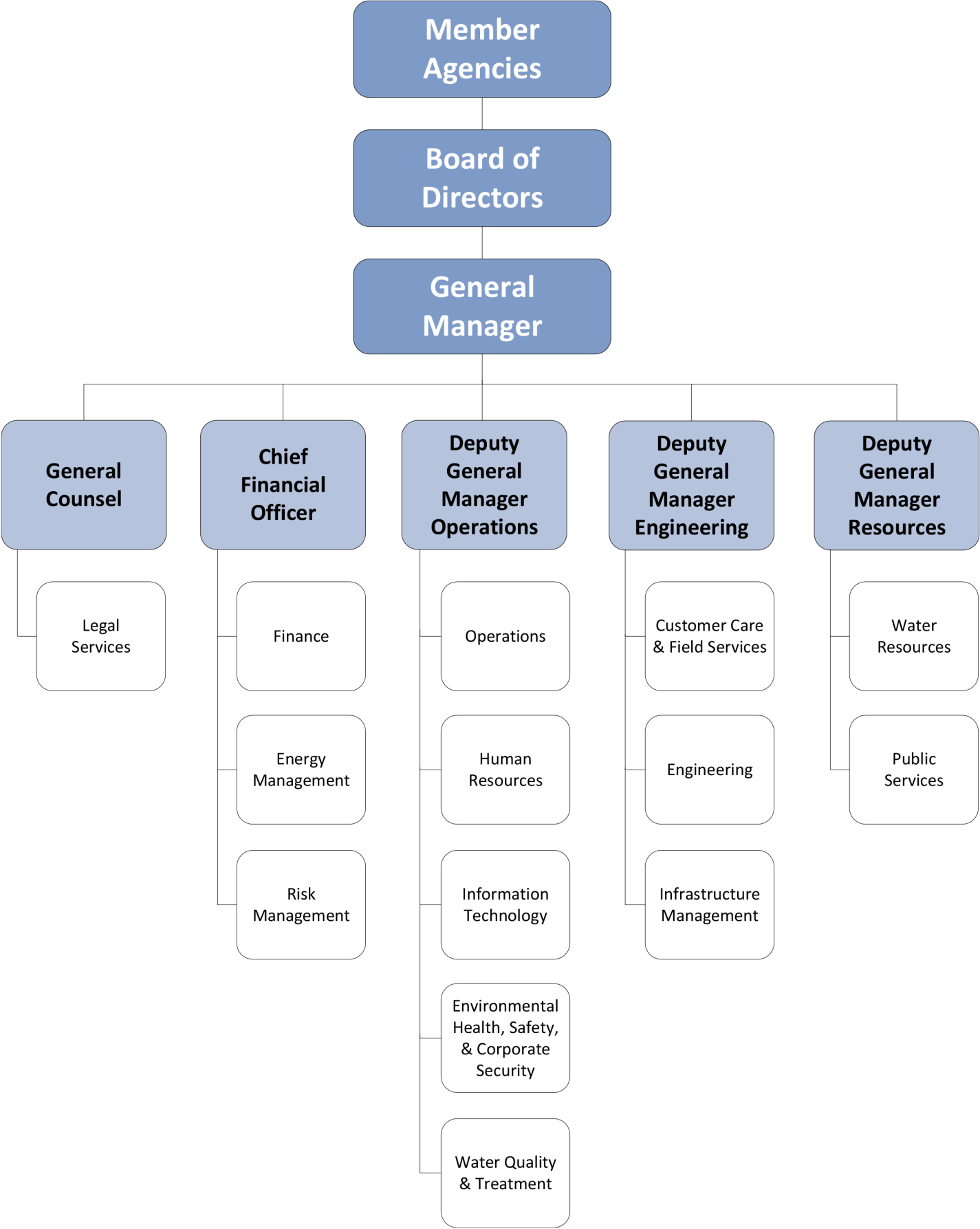
Gregory J. Walch
General Counsel

SOUTHERN NEVADA WATER AUTHORITY

Map of Service Area
As of June 30, 2023



SOUTHERN NEVADA WATER AUTHORITY
Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Southern Nevada Water Authority

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

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

To the Board of Directors of
Southern Nevada Water Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Southern Nevada Water Authority (Authority), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the Authority adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective July 1, 2022. Accordingly, the accounting change has been retrospectively applied to the prior period presented. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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. The 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 supplementary information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections included in the annual comprehensive financial report but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2023 on our consideration of the Authority'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's 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 the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Madison, Wisconsin
October 17, 2023

SOUTHERN NEVADA WATER AUTHORITY
Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2023 and 2022

The following discussion and analysis of the Southern Nevada Water Authority's (SNWA) performance serves as an introduction to the basic financial statements and provides a narrative overview and analysis of financial activities and performance as detailed in the Annual Comprehensive Financial Report (ACFR) for the fiscal years ended June 30, 2023 and 2022. This discussion and analysis should be read in conjunction with the SNWA's basic financial statements and accompanying notes, which follow this section.

Financial Highlights for 2023

- Total assets increased \$17.4 million or 0.3 percent to \$5.8 billion. This was due primarily to an increase of \$25.3 million or 5.4 percent in capital contributions.
- Construction in progress increased by \$74.2 million or 107.9 percent to \$143.1 million. This was mostly the result of capital projects not yet completed in fiscal year 2023 such as Horizon Lateral, Garnet Valley Transmission/Wastewater System, Lower Wash Stabilization, Actuator and Electrical Upgrade projects, Reliability Upgrade projects and Ozone Equipment Upgrade.
- Deferred outflows of resources decreased \$15.3 million (17.3 percent). The decrease was primarily due to differences between expected and actual experience with regard to economic or demographic factors affecting the pension and OPEB plan assets held by LVVWD and also the amortization of deferred loss on bond refundings.
- Total liabilities decreased \$219.8 million or 6.4 percent to \$3.2 billion. This was mainly attributable to principal paid on debt during fiscal year 2023 of \$229 million. This decrease was offset partially by an increase of accounts payable of \$10.7 million related to an increase in construction costs.
- Deferred inflows of resources decreased \$6.5 million (16.7 percent). The decrease was mainly a result of the differences between projected and actual earnings among the pension and OPEB fund investments and also the amortization of deferred gain on bond refundings.
- Operating revenues increased by \$6.6 million or 4.1 percent to \$165.7 million. This was mainly the result of an increase to the Wholesale Delivery Charge rate offset by a decrease in water sales of 14,691 acre-foot due to continued conservation efforts.
- Operating expenses increased \$33.8 million or 10.7 percent to \$351.1 million. Purchased energy increased \$18.6 million due to rising energy prices. Salaries and benefits increased by \$13.7 million primarily due to an increase in pension and OPEB expense. Operations and maintenance expenses increased by \$1.8 million due to higher costs of supplies and materials and inflation.
- Capital contributions increased \$25.4 million or 5.5 percent to \$491.1 million. The primary changes were the increases of \$18.6 million in regional infrastructure charges and \$3.0 million in regional commodity charges related to rate increases offset by a decrease of \$4.6 million in regional connections due a decline in development within the SNWA's service area. Additionally, funds received from sales tax revenues increased by \$5.9 million as a result of the continued rebound of Nevada's economy and higher costs for goods.

Overview of Financial Statements

This discussion and analysis serves 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 ACFR also contains other supplementary and statistical information in addition to the basic financial statements.

SOUTHERN NEVADA WATER AUTHORITY
Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2023 and 2022

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 like 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 this discussion and analysis is a summary, a review of the notes to the basic financial statements are necessary to achieve a full understanding of the SNWA's financial position.

Other supplementary information. The statement of revenues, expenses, and changes in net position as well as the statement of cash flows are presented on a budget-to-actual comparison in compliance with Nevada Revised Statute (NRS) 354.

Statistical information. This statistical information provides financial trends, revenue capacity, debt capacity, demographic and economic condition, and operational trends to enhance the reader's understanding of the SNWA's economic position in a broader context.

Financial analysis. Net position over time may serve as a useful indicator of the SNWA's financial condition. In the case of the SNWA, assets and deferred outflows exceed liabilities and deferred inflows by \$2.7 billion in fiscal year 2023, \$2.4 billion in fiscal year 2022 and \$2.3 billion in fiscal year 2021. Net position increased 9 percent in fiscal year 2023 and increased 7.6 percent in fiscal year 2022. As noted earlier, the value remaining after the subtraction of the liabilities and deferred inflows from the assets and deferred outflows is net position that over time may serve as a useful indicator of the SNWA's financial condition.

SOUTHERN NEVADA WATER AUTHORITY
Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2023 and 2022

The following table summarizes the Statements of Net Position as of June 30, 2023, 2022, and 2021:

Condensed Statements of Net Position (In Millions)

	2023	Change	Restated 2022	Change	2021
ASSETS					
Capital assets	\$ 4,318.6	\$ 4.7	\$ 4,313.9	\$ (43.1)	\$ 4,357.0
Other assets	1,515.4	12.7	1,502.7	385.9	1,116.8
Total assets	5,834.0	17.4	5,816.6	342.8	5,473.8
DEFERRED OUTFLOWS OF RESOURCES	73.0	(15.3)	88.3	44.5	43.8
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 5,907.0	\$ 2.1	\$ 5,904.9	\$ 387.3	\$ 5,517.6
LIABILITIES					
Current liabilities	\$ 210.0	\$ 16.8	\$ 193.2	\$ 16.1	\$ 177.1
Noncurrent liabilities	3,013.9	(236.6)	3,250.5	213.1	3,037.4
Total liabilities	3,223.9	(219.8)	3,443.7	229.2	3,214.5
DEFERRED INFLOWS OF RESOURCES	32.4	(6.5)	38.9	(13.8)	52.7
NET POSITION					
Net investments in capital assets	1,483.7	130.3	1,353.4	110.1	1,243.3
Restricted for debt service	56.7	(1.8)	58.5	4.8	53.7
Unrestricted	1,110.3	99.9	1,010.4	57.0	953.4
Total net position	2,650.7	228.4	2,422.3	171.9	2,250.4
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 5,907.0	\$ 2.1	\$ 5,904.9	\$ 387.3	\$ 5,517.6

Total net position is comprised of net investments in capital assets, restricted and unrestricted resources. The largest portion of the SNWA's net position is in capital assets. Capital assets are extended and improved as needed to provide continuous and reliable water delivery while meeting the demands of growth. The SNWA's net investment in capital assets of \$1,483.7 million comprised 56.0 percent of total net position as of June 30, 2023, and is attributable to the construction, improvements, or acquisition of assets.

The SNWA's net position restricted for bond debt service was \$56.7 million for fiscal year ended June 30, 2023. Bond debt service funds are restricted by bond covenants while sales tax revenue is restricted by enabling legislation for use related to capital projects. The remaining balance of net position is unrestricted and may be used for asset additions and replacements, debt retirements and other obligations.

The SNWA maintains positive balances in all three components of net position and remains in a healthy financial condition.

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Capital assets increased by \$4.7 million (0.1 percent) and decreased by \$43.1 million (1.0 percent) in fiscal years 2023 and 2022, respectively. The increase in fiscal year 2023 is due to capital costs being added to construction in progress of \$74.2 million and to \$30.2 million increase in acquired rights-of-way as a result of conservation efforts, all offset by an increase in accumulated depreciation of \$119.1 million. The decrease in fiscal year 2022 is due to a \$118.8 million increase to accumulated depreciation offset by an increase in additions to construction in progress of \$60.7 million and to \$16.1 million increase in acquired rights-of-way as a result of conservation efforts.

Other assets increased \$12.7 million (0.8 percent) and increased \$385.9 million (34.6 percent) in fiscal years 2023 and 2022, respectively. The increase in fiscal year 2023 can be attributed to an increase in Wholesale Delivery Charge rate and capital contributions of \$25.4 million. The increase in fiscal year 2022 can be attributed to the issuance of the 2022A new money bond that had an original amount of \$292.2 million with \$59.4 million in premiums as well as an increase in Wholesale Delivery Charge rate and capital contributions.

Deferred outflows of resources decreased \$15.3 million (17.3 percent) and increased \$44.5 million (101.6 percent) in fiscal years 2023 and 2022, respectively. The decrease in fiscal year 2023 is primarily due to differences between expected and actual experience with regard to economic or demographic factors affecting the pension and OPEB plan assets held by LVVWD. The increase in fiscal year 2022 is primarily due to differences between expected and actual experience with regard to economic or demographic factors affecting the pension and OPEB plan assets held by LVVWD as well as refunding activities.

Current liabilities increased \$16.8 million (8.7 percent) and increased \$16.1 million (9.1 percent) in fiscal years 2023 and 2022, respectively. The increase in fiscal year 2023 is due to an increase in accounts payable of \$10.7 million due to an increase in construction related costs as well as an increase in the current portion of bonds payable of \$7.4 million. The increase in fiscal year 2022 is from current bond related payables.

Noncurrent liabilities decreased \$236.6 million (7.3 percent) and an increase of \$213.1 million (7.0 percent) in fiscal years 2023 and 2022, respectively. The decrease in fiscal year 2023 was the result of a \$236.4 million decrease in bonds payable related to debt service payments made during the year. The increase in fiscal year 2022 was the result of a \$144.9 million increase in bonds payable due to new bonds issued and a decrease in related party liability of \$65.9 million attributable to a pension adjustment resulting from gains in pension and OPEB asset investments held by LVVWD.

Deferred inflows of resources decreased \$6.5 million (16.7 percent) and decreased \$13.8 million (26.2 percent) in fiscal years 2023 and 2022, respectively. The decrease in fiscal year 2023 is mainly a result of the differences between projected and actual earnings among the pension and OPEB fund investments of the LVVWD. The decrease in fiscal year 2022 is mainly a result of the differences between projected and actual earnings among the pension and OPEB fund investments of the LVVWD and refunding activities.

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For the Fiscal Years Ended June 30, 2023 and 2022

The following table summarizes the Statements of Revenues, Expenses, and Changes in Net Position for the fiscal years ended June 30, 2023, 2022 and 2021:

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

	2023	Change	Restated 2022	Change	2021
OPERATING REVENUES					
Wholesale delivery charges	\$ 154.7	\$ 4.9	\$ 149.8	\$ (1.0)	\$ 150.8
Other revenues	11.0	1.7	9.3	0.4	8.9
Total operating revenues	165.7	6.6	159.1	(0.6)	159.7
OPERATING EXPENSES					
Salaries and benefits	94.7	13.7	81.0	7.1	73.9
Purchased energy	62.5	18.6	43.9	5.3	38.6
Operations and maintenance	74.8	1.8	73.0	5.6	67.4
Depreciation	119.2	(0.2)	119.4	(1.2)	120.6
Total operating expenses	351.2	33.9	317.3	16.8	300.5
NONOPERATING REVENUES (EXPENSES)					
Nonoperating revenues	8.1	48.8	(40.7)	(42.2)	1.5
Nonoperating expenses	(85.3)	9.6	(94.9)	4.3	(99.2)
Total nonoperating expenses	(77.2)	58.4	(135.6)	(37.9)	(97.7)
LOSS BEFORE CAPITAL CONTRIBUTIONS	(262.7)	31.1	(293.8)	(55.3)	(238.5)
Capital contributions	491.1	25.4	465.7	40.9	424.8
CHANGE IN NET POSITION	\$ 228.4	\$ 56.5	\$ 171.9	\$ (14.4)	\$ 186.3
NET POSITION					
Beginning	\$ 2,422.3		\$ 2,250.4		\$ 2,064.1
Change in net position	228.4		171.9		186.3
Ending	\$ 2,650.7		\$ 2,422.3		\$ 2,250.4

Wholesale delivery charges increased \$4.9 million (3.3 percent) and decreased \$1.0 million (0.7 percent) in fiscal years 2023 and 2022, respectively. The increase in fiscal year 2023 was primarily due to an increase in the Wholesale Delivery Charge rate of 7 percent offset by a decrease in water sales of 14,691 acre-feet due to continued conservation efforts. The net decrease in fiscal year 2022 was due to a decrease in water sales of 9,804 acre-feet due to conservation efforts offset by an increase in the Wholesale Delivery Charge rate of 2 percent.

Salaries and benefits expenses increased \$13.7 million (16.9 percent) and increased \$7.1 million (9.6 percent) in fiscal years 2023 and 2022, respectively. The increase in fiscal year 2023 is primarily driven by an increase in pension and OPEB expense. The increase in fiscal year 2022 pertains to higher pension and OPEB expense attributed to lower investment gains in fiscal year 2022 when compared to fiscal year 2021, employee cost-of-living and merit increases, and the continued increase in costs of providing employee benefits.

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Energy expenses increased \$18.6 million (42.4 percent) and \$5.3 million (13.7 percent) in fiscal years 2023 and 2022, respectively. These changes are a result of higher energy prices coupled with changes in demand.

Operations and maintenance expenses increased by \$1.8 million (2.5 percent) and increased by \$5.6 million (8.3 percent) in fiscal year 2023 and 2022, respectively. The increases in fiscal years 2023 and 2022 were mainly due to increases in the cost of materials and supplies and the reclassification of capital projects deemed to be more operational in nature in fiscal year 2022.

Depreciation expense decreased \$0.2 million (0.2 percent) and decreased \$1.2 million (1 percent) in fiscal years 2023 and 2022, respectively. These small decreases can be attributed to some older assets becoming fully depreciated.

Nonoperating revenues increased \$48.8 million (119.9 percent) in fiscal year 2023 due to a rise in fair value of fixed rate securities and decreased \$42.2 million (2,813 percent) in fiscal year 2022 due to the decline in fair value of fixed rate securities.

Nonoperating expenses decreased \$9.6 million (10.1 percent) and decreased \$4.3 million (4.3 percent) in fiscal years 2023 and 2022, respectively. In fiscal year 2023, the decrease was primarily due to the amortization of bond premiums and discounts and less interest being paid on debt as a result of new money bond issuances during the prior year. The decrease in fiscal year 2022 is mainly a result of refunding activities.

Capital contributions increased \$25.4 million (5.5 percent) and \$40.9 million (9.6 percent) in fiscal years 2023 and 2022, respectively. The increases in both fiscal years were mainly due to population growth, additional development within the SNWA's service area, and an improving Nevada economy.

Capital Asset and Long-Term Debt Activity

Capital assets. As of June 30, 2023, the SNWA had net capital assets of \$4.3 billion, which included treatment facilities, office buildings, pumping stations, wells, transmission and distribution infrastructure, vehicles, various equipment, water and other natural resources rights, construction in progress, as well as land and land rights. In fiscal year 2023, the SNWA made capital asset expenditures of \$124.1 million. Most of these expenditures were for projects within the Major Construction and Capital Plan. See Note 8 to the basic financial statements for additional information on the types and values of the SNWA's capital assets. See Note 10 to the basic financial statements for additional information on the SNWA's capital improvement plans.

Long-term debt. As of June 30, 2023, the SNWA had long-term debt of \$3.1 billion. Proceeds from bonds are used to fund capital expenditures. See Note 17 to the basic financial statements for additional information on the SNWA's long-term debt.

Economic Factors and Next Year's Budget

Management's financial outlook remains optimistic. The economic environment of the SNWA's service area has improved steadily over the past several years. While the COVID-19 pandemic had a significant economic impact on Southern Nevada's tourism-concentrated economy, the economy is now recovering, and Management believes the SNWA is in a healthy financial position. First, the SNWA maintains a strong liquidity position with reserves in excess of the policy target. Second, Management has experience at navigating turbulent economic times such as the economic downturn after 2008. Third, the community understanding the importance of water security and support to make tough decisions when necessary. Management continues to monitor the local economy and the SNWA's financial position and actively takes steps to ensure the SNWA's financial stability.

Over the last 24 years, the Colorado River Basin has experienced a persistent drought, which has affected reservoir storage levels in Lake Powell and Lake Mead. By the end of September 2023, reservoir storage in Lake Powell and Lake Mead is projected to reach 38 percent and 34 percent of capacity, respectively. Lake Mead's surface elevation will be down approximately 147 feet from its pre-drought conditions, a reduction of approximately 64 percent in water storage

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For the Fiscal Years Ended June 30, 2023 and 2022

since 2000. In accordance with the 2007 Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead, and the 2019 Drought Contingency Plan (DCP) the Secretary of Interior makes Colorado River water supply determinations each year based on the U.S. Bureau of Reclamation's (Bureau) August forecast of Lake Mead elevation at the beginning of the next year.

The Bureau's August 2023 forecast shows Lake Mead's elevation will be below an elevation of 1,075 feet and above 1,050 feet on January 1, 2024, resulting in the tier one shortage declaration in the Lower Colorado River Basin during 2024. Nevada and Arizona will incur shortage reductions and will be required to make DCP contributions to Lake Mead during 2024. In accordance with provisions of Minute 323 to the 1944 Mexico Water Treaty, Mexico will be required to reduce Colorado River deliveries during 2024. Nevada's Colorado River shortage reduction will be 13,000 acre-feet (AF) during 2024, and DCP Contribution to Lake Mead will be 8,000 AF, resulting in a Nevada Colorado River apportionment of 279,000 AF. Should drought conditions persist, and reservoir levels continue to decline, the Lower Basin States (including Nevada) could face additional reductions to their basic Colorado River apportionments and DCP Contributions in future years. The SNWA Water Resource Plan demonstrates how SNWA intends to meet water demands during the shortage and DCP conditions during 2024.

To ensure water supplies remain available, the SNWA and its member agencies have implemented a number of initiatives. These efforts include water conservation programs, securing additional water resources, and banking unused resources. Water conservation efforts have been particularly effective.

In November 2020, the SNWA Board of Directors (Board) approved an amended Major Construction and Capital Plan. The plan's estimated costs of \$3.2 billion provide for system expansion projects, water resource management and acquisitions, and system maintenance and upgrades. One of the projects within this plan is the Horizon Lateral. This vital project will bolster delivery capacity and provide critical backup for a system that services homes, schools, and businesses in the City of Henderson and the southern portion of the Las Vegas Valley, while also meeting the demands of future customers. Another major project is the Garnet Valley Water System, planned to be constructed at the north end of the community. This project will bring Colorado River water resources to customers in the new Apex Industrial Park and sustainably return wastewater back to Lake Mead, alleviating water resource concerns in that area.

The SNWA is working with the community to implement Nevada Assembly Bill 356, approved by the Nevada State Legislature in June 2021, which prohibits the use of Colorado River water to irrigate non-functional turf in non-single family residential applications by January 1, 2027.

The SNWA is participating in a major reuse project currently being reviewed by the Metropolitan Water District of Southern California (Metropolitan). Metropolitan is planning for a full scale regional recycled water program that is expected to produce up to 150 million gallons of water daily, which is approximately 168,000 acre-feet (AF) per year. An initial pilot project is currently underway to support planning and research efforts. While the project is still in an early phase of development, the SNWA anticipates that 20,000 - 40,000 acre-feet per year of Colorado River water will be available to the SNWA in exchange for funding participation.

In August 2022, the federal government declared a tier two water reduction on the Colorado River. This will limit the amount of water Southern Nevada will be allowed to withdraw from Lake Mead beginning in January 2023. This comes one year after the federal government, prompted by the low water levels in Lake Mead, issued a water shortage declaration on the Colorado River. In June 2023, Governor Joe Lombardo signed Nevada Assembly Bill 220, giving the SNWA the ability to limit residential water use if necessitated by a water emergency. Thus, conservation will remain the primary focus for next year's goals. Since its formation, the SNWA and its members have worked collaboratively to establish and achieve water conservation goals. Conservation is achieved through four primary areas: education, incentives, regulation, and water pricing. The SNWA has invested \$321.0 million in incentive programs like the Water Smart Landscape program where customers receive rebates for converting water-thirsty grass to water-efficient landscaping. Conservation has proven to be a cost-effective option for meeting Southern Nevada's water needs.

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For the Fiscal Years Ended June 30, 2023 and 2022

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 ACFR can also be viewed at <https://www.snwa.com/about/reports/index.html>.

SOUTHERN NEVADA WATER AUTHORITY

Enterprise Fund

Statements of Net Position

As of June 30, 2023 and 2022

ASSETS	2023	Restated 2022
CURRENT ASSETS		
Unrestricted		
Cash and cash equivalents	\$ 33,753,134	\$ 28,271,869
Investments	1,020,069,075	908,296,117
Due from member agencies	46,859,808	54,880,058
Other receivables	11,464,875	9,043,638
Inventories and prepaid expenses	36,095,302	31,409,796
Total unrestricted current assets	1,148,242,194	1,031,901,478
Restricted		
Investments	30,270,971	32,546,911
Sales tax receivable	26,382,585	25,967,397
Total restricted current assets	56,653,556	58,514,308
Total current assets	1,204,895,750	1,090,415,786
NONCURRENT ASSETS		
Capital assets, net of accumulated depreciation and amortization		
Construction in progress	143,059,491	68,824,980
Land and land rights	247,835,851	217,609,086
Natural resource rights	501,904,258	498,688,297
Property, plant, and equipment	5,308,579,789	5,292,419,857
Accumulated depreciation	(1,882,745,233)	(1,763,690,853)
Total capital assets, net of accumulated depreciation and amortization	4,318,634,156	4,313,851,367
Other noncurrent assets		
Investments, restricted	217,958,501	319,379,443
Water recharge inventory	85,261,588	85,443,352
Lease receivable	5,954,410	7,541,079
Other assets	1,276,698	—
Total other noncurrent assets	310,451,197	412,363,874
Total noncurrent assets	4,629,085,353	4,726,215,241
TOTAL ASSETS	5,833,981,103	5,816,631,027
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on bond refundings	42,005,466	48,336,229
Deferred amount - related party	30,842,440	39,578,443
Deferred amount - asset retirement obligations	155,816	392,866
Total deferred outflows of resources	73,003,722	88,307,538
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 5,906,984,825	\$ 5,904,938,565

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

SOUTHERN NEVADA WATER AUTHORITY

Enterprise Fund

Statements of Net Position

As of June 30, 2023 and 2022

	2023	Restated 2022
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 31,760,514	\$ 21,107,282
Accrued interest payable	12,238,088	13,511,195
Current portion of bonds payable	165,221,540	157,851,540
Current portion of lease obligation	207,793	181,101
Current portion of subscription obligation	624,872	526,025
Total current liabilities	210,052,807	193,177,143
NONCURRENT LIABILITIES		
Due to related party	106,815,045	106,669,014
Asset retirement obligation	1,329,631	1,313,458
Bonds payable, net of current portion, and unamortized premiums and discounts	2,899,489,029	3,135,846,991
Lease obligation, net of current portion	5,064,056	5,069,608
Subscription obligation, net of current portion	1,212,131	1,643,290
Total noncurrent liabilities	3,013,909,892	3,250,542,361
TOTAL LIABILITIES	3,223,962,699	3,443,719,504
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on bond refundings	23,045,286	26,796,497
Deferred amount - related party	1,927,808	3,099,654
Deferred amount on leases	7,407,738	9,012,684
Total deferred inflows of resources	32,380,832	38,908,835
NET POSITION		
Net investments in capital assets	1,483,733,415	1,353,362,512
Restricted for debt service	56,653,556	58,514,308
Unrestricted	1,110,254,323	1,010,433,406
Total net position	2,650,641,294	2,422,310,226
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 5,906,984,825	\$ 5,904,938,565

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

SOUTHERN NEVADA WATER AUTHORITY
Enterprise Fund
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2023 and 2022

	2023	Restated 2022
OPERATING REVENUES		
Wholesale delivery charges	\$ 154,732,456	\$ 149,758,833
Other revenues	10,971,335	9,279,805
Total operating revenues	165,703,791	159,038,638
OPERATING EXPENSES		
Salaries and benefits	94,655,314	80,966,019
Purchased energy	62,523,343	43,922,478
Operations and maintenance	74,729,552	72,976,897
Depreciation and amortization	119,213,783	119,433,086
Total operating expenses	351,121,992	317,298,480
OPERATING LOSS	(185,418,201)	(158,259,842)
NONOPERATING REVENUES (EXPENSES)		
Investment income (loss)	8,032,748	(40,799,860)
Interest expense	(132,171,943)	(135,161,878)
Amortization of refunding costs	(2,579,552)	(4,483,146)
Bond issue costs	—	(3,863,276)
Amortization of bond premiums and discounts	49,416,421	48,583,931
Gain on sale of assets	51,034	138,783
Other	9,896	—
Total nonoperating expenses	(77,241,396)	(135,585,446)
LOSS BEFORE CAPITAL CONTRIBUTIONS	(262,659,597)	(293,845,288)
Capital contributions	490,990,665	465,725,555
CHANGE IN NET POSITION	228,331,068	171,880,267
NET POSITION AT BEGINNING OF YEAR	2,422,310,226	2,250,429,959
NET POSITION AT END OF YEAR	\$ 2,650,641,294	\$ 2,422,310,226

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

SOUTHERN NEVADA WATER AUTHORITY
Enterprise Fund
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2023 and 2022

	2023	Restated 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 166,681,132	\$ 158,674,475
Cash payments to suppliers for goods and services	(169,679,458)	(146,716,511)
Net cash (used in) provided by operating activities	(2,998,326)	11,957,964
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(115,298,624)	(70,614,699)
Proceeds from sale of property, plant, and equipment	92,554	323,834
Proceeds from debt issuance	—	351,646,228
Principal paid on debt	(179,571,540)	(146,854,085)
Interest paid on debt	(133,327,561)	(135,066,842)
Capital contributions	441,481,093	405,069,425
Right-of-use leases	(627,743)	(518,332)
Subscription assets	(530,773)	(599,113)
Other assets	(1,276,697)	—
Net cash provided by capital and related financing activities	10,940,709	403,386,416
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investment securities	(602,593,099)	(1,098,933,722)
Proceeds from sales and maturities of investment securities	580,941,643	699,436,715
Interest on investments	19,190,338	9,831,787
Net cash used in investing activities	(2,461,118)	(389,665,220)
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,481,265	25,679,160
Cash and cash equivalents at beginning of year	28,271,869	2,592,709
Cash and cash equivalents at end of year	\$ 33,753,134	\$ 28,271,869

(Continued)

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

SOUTHERN NEVADA WATER AUTHORITY
Enterprise Fund
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2023 and 2022

	2023	Restated 2022
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY		
OPERATING ACTIVITIES:		
Operating loss	\$ (185,418,201)	\$ (158,259,842)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	119,213,783	119,433,086
Expenses related to expansion programs	55,752,968	45,573,746
Changes in assets and liabilities:		
Decrease in due from member agencies	2,869,072	1,851,375
Increase in other receivables	(1,365,500)	(742,059)
(Increase) / decrease in other current assets	(4,685,506)	1,900,607
Decrease in water recharge inventory	181,764	156,905
Increase / (decrease) in deferred amount - related party	7,564,156	(64,179,453)
Increase in accounts payable	2,743,107	279,481
Increase in due to related party	146,031	65,944,118
Net cash provided by (used in) operating activities	\$ (2,998,326)	\$ 11,957,964
NONCASH INVESTING, AND CAPITAL AND RELATED FINANCING		
ACTIVITIES:		
Changes in fair value of investments	\$ (74,726,071)	\$ (50,665,982)
Deferred gain (loss) on refunded bonds	—	11,961,847
Refunding bonds issued	—	396,530,000
Bonds refunded	—	(448,395,000)
Deferred amount / amortization on asset retirement obligation	(237,050)	(437,277)
Bond premiums issued	—	116,762,212
Amortization of deferred net gain / loss on bond refundings	(2,579,551)	(7,027,760)
Amortization of net premiums and discounts on bonds	(49,416,421)	2,980,528
Amortization of net premiums and discounts on investments	(88,301,450)	(102,150,790)
Intangible right-to-use asset	(235,398)	(871,242)
Lease liability right-to-use asset	235,397	871,242
Subscription asset	(193,513)	(3,063,211)
Subscription liability related to subscription asset	193,513	3,063,211

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

SOUTHERN NEVADA WATER AUTHORITY
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Southern Nevada Water Authority (SNWA) are prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as defined by the Governmental Accounting Standards Board (GASB), the independent and ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The significant accounting and reporting policies for the Southern Nevada Water Authority (SNWA) are discussed below.

Reporting Entity

The 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 2019.

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. Assessments for 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 contribute \$35,000 annually to the SNWA.

Operating Agent / 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. 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 Annual Comprehensive Financial Report.

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 \$19 million to the LVVWD to fund future SNWA-related operating expenses made on its behalf. The advance is replenished monthly and will be applicable throughout the SNWA's and LVVWD's operating agent relationship. The SNWA also pays other large recurring expenses that it deems would be detrimental to the LVVWD's cash flow.

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The SNWA is autonomous from the LVVWD. The SNWA's operations and finances are separate from that of the LVVWD. The SNWA does not include the LVVWD's information within its 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 City of Las Vegas and certain portions of the metropolitan area of Clark County. The LVVWD's Annual Comprehensive Financial Report 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 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 SNWA's financial report presents the activities of the SNWA on a fund basis. In governmental accounting, a fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein.

Proprietary (Enterprise) Fund

The proprietary (enterprise) fund accounts for all of the SNWA's operations, similar to a commercial enterprise, using the economic resources measurement focus and the accrual basis of accounting. Accordingly, revenues are recorded when earned and expenses are recorded when a liability is incurred. The SNWA adheres to all applicable financial accounting and reporting standards of the GASB. The intent of the SNWA 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.

Estimates

The preparation of financial statements in conformity with GAAP in the United States of America 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 and Cash Equivalents

The SNWA's cash and cash equivalents include currency on hand, demand deposits, and other highly liquid investments with original maturity of three months or less from date of acquisition. For more information on cash and cash equivalents, see Note 3.

Investments

The investment policy is designed to ensure compliance with NRS 355, minimize the loss of principal, provide sufficient liquidity, and earn a market rate of return. The SNWA's investments are held in its own name and are reported at fair value. Some of the security types that the SNWA is authorized to invest in include obligations of the U.S. Treasury with maturity dates not more than 10 years from the date of purchase; obligations of U.S. agencies with maturity dates not more than 10 years from the date of purchase; commercial paper rated A-1, P-1, or better with maturities not exceeding 270 days and investments in commercial paper do not exceed 25 percent of the total portfolio; negotiable certificates of deposit rated "A-1" for deposits by Standard & Poor's or "P-1" for deposits by Moody's or comparably rated by a nationally recognized rating agency; non-negotiable certificates of deposit insured by an instrumentality of the United States; obligations of Nevada local governments; money market funds rated AAA; and the Nevada Local Government

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Investment Pool. The Nevada Local Government Investment Pool is an unrated external investment pool administered by the State Treasurer with oversight by the State of Nevada Board of Finance. The value of the SNWA's investment in the pool is the same as its proportionate share of the pool's fair value. For more information on investments, see Note 4.

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. For more information on inventories, see Note 7.

Restricted Assets

Restricted assets include unused bond proceeds, unused sales tax proceeds, and investments set aside as a sinking fund. The bond proceeds and sinking fund are externally restricted by bond covenants, while the sales tax proceeds are externally restricted by NRS 377B.160. The sinking fund and sales tax proceeds are used for debt service while bond proceeds are only used for capital expenditures. When both restricted and unrestricted resources are available, it is the SNWA's policy to use restricted resources first, then unrestricted resources as needed.

Capital Assets

Construction in Progress is where costs to construct or develop capital assets prior to being put into service are recorded. These costs include both direct and indirect costs. Direct costs include purchases, payments to engineers, payments to construction contractors, etc. Indirect costs included administration, planning and design, public information, program management, construction management, environmental mitigation, etc. Upon completion of a capital project, the costs are transferred to the appropriate capital asset account.

Land and land rights include the purchase of land as well as the costs of easements and other rights-of-way. Land and land rights are not depreciable.

Property, plant, and equipment (PP&E); land and land rights; and natural resource rights are carried at historical cost if purchased, estimated acquisition value if donated, or acquisition value if received in a service concession arrangement. Expenditures for improvements and betterments are capitalized. The capitalization threshold is generally \$10,000 and a useful life of greater than three years following the date of acquisition.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Category	Estimated Service Life in Years
Structures and improvements	10 - 20
Pumping stations and wells	40
Transmission, distribution, and mains	50 - 75
Office furniture and related equipment	5 - 15
Transportation and related equipment	5 - 10
Northern resource assets	5 - 27.5

For detailed tables on capital assets, see Note 8.

Leases

The SNWA is a lessee for noncancellable leases of billboard space and equipment. The SNWA recognizes a lease liability and an intangible right-to-use lease asset in the statement of net position and recognizes lease liabilities with an initial, individual value of \$10,000 or more.

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At the commencement of a lease, the SNWA initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured at the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the SNWA determines (1) the rate it uses to discount the expected lease payments to present value, (2) the lease term, and (3) the lease payments. The SNWA uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, an estimated incremental borrowing rate is used as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of payments fixed in substance, and purchase option price that the SNWA is reasonably certain to exercise.

The SNWA monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with current and long term liabilities on the statement of net position.

The SNWA is a lessor for noncancellable leases of office space and land for the use of cell towers and recognizes a lease receivable and a deferred inflow of resources in the statement of net position.

At the commencement of a lease, the SNWA initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments made. The deferred inflow of resources is first measured at the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement date. Consequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements related to leases include how the SNWA determines (1) the rate it uses to discount the expected lease payment receipts to present value, (2) the lease term, and (3) the lease payment. The SNWA uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payment receipts included in the measurement of the lease receivable are composed of payments fixed in substance that the SNWA is reasonably certain to receive.

The SNWA monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of lease receivable. Lease receivables are reported with current and noncurrent assets and deferred inflows are reported with deferred inflows of resources on the statement of net position.

Subscription-Based Information Technology Arrangements

The SNWA recognizes subscription-based information technology arrangements (SBITAs) greater than one year, and with a present value of the minimum payments greater than \$100,000. SBITAs are recorded as a liability and an intangible right-to-use asset in the statement of net position.

At the commencement of the SBITA, the SNWA initially measures the subscription liability at the present value of payments expected to be made during the lease term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured at the initial amount of the subscription liability, adjusted for subscriptions payments made at or before the subscription commencement date, plus capitalizable initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life which matches the term of the subscription. Key estimates and judgements related to SBITAs are the same as those for leases.

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The SNWA monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. Subscription assets are reported with other capital assets and subscription liabilities are reported with current and long-term liabilities on the statement of net position.

Operating Revenues and Expenses

The SNWA distinguishes operating revenues and expenses from nonoperating items. 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, 2023, the Wholesale Delivery Charge was \$360 per acre-foot (AF) of potable water. The Wholesale Delivery Charge is designed to fund operation and maintenance of the SNWS, as well as the SNWA administration. The SNWA also charged \$255 per AF for non-potable water delivered to the City of Boulder City for use on golf courses. For the fiscal year ended June 30, 2023, Groundwater Management Fees consist of an annual fee of \$20 per AF of permitted groundwater rights or \$20 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 defray the administration costs associated with their membership. Las Vegas Wash Fees consist of contributions from other local governments to fund operating and maintenance costs on the Las Vegas Wash. Other revenues consist primarily of sales made from the SNWA's northern resource properties.

Operating expenses include salary and benefit allocations from the LVVWD, energy, costs associated with the operation and maintenance of the SNWS and other administrative costs, and depreciation.

Nonoperating Revenues and Expenses

Nonoperating revenues and expenses include interest and investment income and expense, and other peripheral activities. Although capital contributions, as well as extraordinary and special items, if any, are shown separately, they are subcategories of nonoperating revenues and expenses.

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. For more information on capital contributions, see Note 18.

Net Position

Net position is displayed in three components:

- Net investment in capital assets. This component represents the SNWA's net position in its capital assets. It reflects the cost of capital assets, less accumulated depreciation and less the outstanding principal of related debt, excluding unspent proceeds.
- Restricted. This component reflects the carrying value of assets, less related liabilities, that are restricted by law or by other externally imposed restrictions, such as bond covenants. Assets that are restricted only because of SNWA imposed limitations are not included in the calculation.
- Unrestricted. This component represents the remaining net position balance that is available to support SNWA operations and capital asset acquisition/construction.

Legal Costs

The SNWA does not accrue 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. For more information on legal costs, see Note 14.

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Water Rights Holding Company

In 1999, the Board established the 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 stock purchased by the SNWA that represents water rights. For more information on natural resource rights, see Note 9.

Restatement

The SNWA adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective July 1, 2022 and retrospectively restated the period ended June 30, 2022. The impacts of the restatements are summarized in the following tables:

	As previously reported - Year Ended June 30, 2022	Adjustments	As restated - Year Ended June 30, 2022
Assets and deferred outflows of resources			
Inventories and prepaid expenses	\$ 31,453,363	\$ (43,567)	\$ 31,409,796
Construction in progress	68,700,427	124,553	68,824,980
Property, plant & equipment in service	5,289,356,646	3,063,211	5,292,419,857
Less accumulated depreciation	(1,763,091,740)	(599,113)	(1,763,690,853)
Liabilities, deferred inflows of resources and net position			
Accounts payable	20,736,291	370,991	21,107,282
Accrued interest payable	13,506,417	4,778	13,511,195
Current portion of subscription obligations	—	526,025	526,025
Subscription obligation, net of current portion	—	1,643,290	1,643,290

Schedule of Restatements to the Statement of Revenues, Expenses and Changes in Net Position

	As previously reported - Year Ended June 30, 2022	Adjustments	As restated - Year Ended June 30, 2022
Operations and maintenance	\$ 73,576,010	\$ (599,113)	\$ 72,976,897
Depreciation and amortization	118,833,973	599,113	119,433,086

Reclassification

Certain reclassifications have been made to the fiscal year 2022 basic financial statements to conform to the fiscal year 2023 presentation.

New Accounting Pronouncements

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which is effective for fiscal years beginning after December 15, 2020. The issuance of GASB Statement No. 95 changed the effective date from fiscal years beginning after December 15, 2020 to fiscal years beginning after December 15, 2021. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. It achieves those objectives by clarifying the existing definition of a conduit debt obligation;

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establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The SNWA has no obligations covered by this statement as of June 30, 2023.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, which is effective for reporting periods beginning after December 31, 2021, with some requirements effective for reporting periods beginning after June 15, 2020. The issuance of GASB Statement No. 95 changed the effective date of paragraphs 13 and 14 in Statement No. 93 from fiscal years beginning after June 15, 2020 to fiscal years beginning after June 15, 2021. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR). The Statement also provides an exception to the lease modifications guidance in Statement No. 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The SNWA has no agreements or leases covered by this statement as of June 30, 2023.

In March 2020 the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The SNWA has no partnerships or arrangements covered by this statement as of June 30, 2023.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which is effective for fiscal years beginning after June 15, 2022. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet the definition. This Statement defines a SBITA; establishes that a SBITA results in an intangible right-to-use subscription asset and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This Statement was implemented for fiscal year ended June 30, 2023 and retrospectively presented for fiscal year ended June 30, 2022. See Notes 8 and 17.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections--an Amendment of GASB Statement No. 62*. This Statement is meant to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. The SNWA is currently evaluating how the adoption of Statement No. 100 will affect the SNWA's financial position, results of operations, or cash flow.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The SNWA is currently evaluating how the adoption of Statement No. 101 will affect the SNWA's financial position, results of operations, or cash flows.

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.

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NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The SNWA's budget is adopted annually by its Board. According to NRS 354.596, the SNWA must submit a tentative budget to the Nevada Department of Taxation on or before April 15 and provide notice of the budget's public hearing not more than 14, nor less than seven days, before the date set for the public hearing. Although not required, the SNWA typically holds a budget workshop on the third Thursday in April. The budget workshop is conducted in a public meeting which includes opportunity for public comment. The public hearing is typically held on the third Thursday in May and is also a public meeting. NRS 354.598 requires that, subsequent to conducting the public hearing, the Board adopt a Final budget for the SNWA and transmit it to the Nevada Department of Taxation not later than June 1. The final budget's appropriations lapse at the end of the budget's fiscal year.

NRS 354.626 generally prohibits expenditures in excess of appropriations at the function level, which is the legal level of budgetary control. Budget transfers are reviewed by the Finance Department. Augmentations to increase total appropriations are accomplished by formal Board action. The SNWA did not exceed its authorized appropriations in the fiscal year ended June 30, 2023. For a comparison of the results of financial activities to the final budget, see the Other Supplementary Information section directly following the notes to the basic financial statements.

NOTE 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of demand deposit accounts containing unrestricted cash. Cash balances as of June 30, 2023 and 2022, were \$33.8 million and \$28.3 million, respectively. The SNWA bank balances as of June 30, 2023 and 2022, were \$37.2 million and \$10.6 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 percent of the value of the aggregate total deposits of public entities in Nevada with a third-party custodian.

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NOTE 4. INVESTMENTS

The SNWA's investments were as follows:

Investment Type	Estimated Fair Value	
	June 30, 2023	June 30, 2022
U.S. treasury notes	\$ 483,126,366	\$ 481,549,716
U.S. agency bonds	479,483,372	373,020,395
Corporate bonds	229,318,606	185,100,602
Asset-backed securities	28,267,215	28,433,700
Supranational obligations	28,126,170	38,998,295
Negotiable certificates of deposit	19,967,200	59,583,100
Local Government Investment Pool	9,618	5,008,453
Commercial paper	—	88,528,210
Total	<u>\$ 1,268,298,547</u>	<u>\$ 1,260,222,471</u>

Credit Risk

As of June 30, 2023, the SNWA's investment ratings and estimated fair values were as follows:

Investment Type	S&P	Moody's	Fair Value
U.S. agency bonds	AA+	Aaa	\$ 333,662,866
U.S. agency bonds	Unrated	Unrated	145,820,506
Corporate bonds	AA+	Aaa	41,317,900
Corporate bonds	A-	A2	33,219,605
Corporate bonds	A	A2	29,443,755
Asset-backed securities	AAA	Unrated	28,267,215
Supranational obligations	AAA	Aaa	28,126,170
Corporate bonds	A-	A1	27,229,561
Corporate bonds	AA-	Aa3	22,913,303
Negotiable certificates of deposit	A-1+	P-1	19,967,200
Corporate bonds	A+	A1	19,573,300
Corporate bonds	AA	Aa2	15,421,253
Corporate bonds	AA-	A1	11,372,465
Corporate bonds	A	A1	10,989,414
Corporate bonds	A+	Aa2	9,207,500
Corporate bonds	AA	Aa1	8,630,550
Local Government Investment Pool	Unrated	Unrated	9,618

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As of June 30, 2022, the SNWA's investment ratings and estimated fair values were as follows:

Investment Type	S&P	Moody's	Fair Value
U.S. agency bonds	AA+	Aaa	\$ 280,968,519
U.S. agency bonds	Unrated	Unrated	92,051,876
Corporate bonds	A	A2	51,780,569
Commercial paper	A-1	P-2	49,626,500
Supranational obligations	AAA	Aaa	38,998,295
Negotiable certificates of deposit	A-1	P-1	34,777,850
Asset-backed securities	AAA	Unrated	28,433,700
Commercial paper	Unrated	P-3	24,969,750
Negotiable certificates of deposit	A-1+	P-1	24,805,250
Corporate bonds	AA-	Aa3	22,599,548
Corporate bonds	A-	A2	21,954,853
Corporate bonds	A+	A1	21,344,280
Corporate bonds	A	A1	17,007,621
Corporate bonds	AA+	Aaa	16,805,333
Corporate bonds	AA	Aa2	15,694,228
Commercial paper	A-1+	P-4	13,931,960
Corporate bonds	A+	Aa2	9,364,800
Corporate bonds	AA	Aa1	8,549,370
Local Government Investment Pool	Unrated	Unrated	5,008,453

Concentration of Credit Risk

As of June 30, 2023, the following investments individually comprise five percent or more of the SNWA's total investment portfolio:

Issuer	Investment Type	Percentage of Investments
Federal Agricultural Mortgage Corporation	U.S. Agency Bonds	11%
Federal Home Loan Bank	U.S. Agency Bonds	10
Federal Farm Credit Bank	U.S. Agency Bonds	6

As of June 30, 2022, the following investments individually comprise five percent or more of the SNWA's total investment portfolio:

Issuer	Investment Type	Percentage of Investments
Federal Home Loan Bank	U.S. agency bonds	7%
Federal Agricultural Mortgage Corporation	U.S. agency bonds	7
Federal Farm Credit Bank	U.S. agency bonds	5

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Interest Rate Risk

As of June 30, 2023, the SNWA's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Days)
U.S. treasury notes	\$ 483,126,366	919
U.S. agency bonds	479,483,372	945
Corporate bonds	229,318,606	890
Asset-backed securities	28,267,215	1,281
Supranational obligations	28,126,170	440
Negotiable certificates of deposit	19,967,200	84
Local Government Investment Pool	9,618	109
Total fair value	<u>\$ 1,268,298,547</u>	
Portfolio weighted average maturity		908

As of June 30, 2022, the SNWA's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Days)
U.S. treasury notes	\$ 481,549,716	954
U.S. agency bonds	373,020,395	859
Corporate bonds	185,100,602	997
Commercial paper	88,528,210	86
Negotiable certificates of deposit	59,583,100	121
Supranational obligations	38,998,295	668
Asset-backed securities	28,433,700	1,646
Local Government Investment Pool	5,008,453	125
Total fair value	<u>\$ 1,260,222,471</u>	
Portfolio weighted average maturity		835

Custodial Credit Risk

The SNWA does not have any investments exposed to custodial credit risk.

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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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, 2023, the SNWA had the following fair value classifications by investment level:

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
U.S. treasury notes	\$ 483,126,366	\$ 483,126,365	\$ —	\$ —
U.S. agency bonds	479,483,372	—	479,483,372	—
Corporate bonds	229,318,606	—	229,318,606	—
Asset-backed securities	28,267,215	—	28,267,215	—
Supranational obligations	28,126,170	—	28,126,170	—
Negotiable certificates of deposit	19,967,200	—	19,967,200	—
Total investments	<u>\$ 1,268,288,929</u>	<u>\$ 483,126,365</u>	<u>\$ 785,162,563</u>	<u>\$ —</u>

At June 30, 2022, the SNWA had the following fair value classifications by investment level:

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
U.S. treasury notes	\$ 481,549,716	\$ 481,549,716	\$ —	\$ —
U.S. agency bonds	373,020,395	—	373,020,395	—
Corporate bonds	185,100,602	—	185,100,602	—
Commercial paper	88,528,210	—	88,528,210	—
Negotiable certificates of deposit	59,583,100	—	59,583,100	—
Supranational obligations	38,998,295	—	38,998,295	—
Asset-backed securities	28,433,700	—	28,433,700	—
Total investments	<u>\$ 1,255,214,018</u>	<u>\$ 481,549,716</u>	<u>\$ 773,664,302</u>	<u>\$ —</u>

NOTE 5. DUE FROM MEMBER AGENCIES

The SNWA bills its member agencies for Wholesale Delivery Charges for water delivered to purveyor members, and bills for reimbursement of general, administrative, and other charges. In addition to these billings, purveyor members collect Regional Infrastructure Charges, Regional Connection Charges, Regional Commodity Charges, and Regional Reliability Surcharges (the latter two known collectively as Regional Water Charges). Revenue from billings and collections are remitted to the SNWA monthly.

Also, the SNWA has advanced funds of \$19 million 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 when received. At fiscal 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, 2023 and 2022, the entire advance was applied against SNWA-related expenses.

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Based on historical collection experience, management believes all accounts are collectible, and therefore no allowance has been provided for bad debts. The following table summarizes the amounts due from the SNWA's member agencies and Nellis Air Force Base, which the SNWA serves, at the fiscal years ended:

Member Agency	June 30, 2023	June 30, 2022
Las Vegas Valley Water District	\$ 24,945,306	\$ 32,338,691
City of North Las Vegas	9,049,706	12,553,639
City of Henderson	12,314,539	9,413,662
City of Boulder City	450,169	464,763
Big Bend Water District	65,721	74,617
Nellis Air Force Base	34,366	34,686
Total due from member agencies	<u>\$ 46,859,808</u>	<u>\$ 54,880,058</u>

NOTE 6. RECEIVABLES

Receivables include amounts due from the State of Nevada, grantors and businesses, as well as accrued interest from investments. Based on historical collection experience, management believes all amounts are collectible, and therefore no allowance has been provided for bad debts. The following table summarizes amounts due at the fiscal years ended:

Type	June 30, 2023	June 30, 2022
Current receivables - unrestricted		
Southern Nevada Public Lands Management Act	\$ 2,249,998	\$ 3,593,773
Accrued interest from investments	5,243,485	2,825,696
Lease receivable	1,586,469	1,571,529
Other receivable	643,958	682,549
Grants receivable	1,740,966	370,091
Total current receivables - unrestricted	<u>11,464,875</u>	<u>9,043,638</u>
Current receivables - restricted		
State of Nevada - Department of Taxation	<u>26,382,585</u>	<u>25,967,397</u>
Total receivables	<u>\$ 37,847,460</u>	<u>\$ 35,011,035</u>

Lease Receivable

The SNWA, as a lessor, has entered into three lease agreements involving office space at Molasky Corporate Center with LVVWD and land for cell tower locations. As of June 30, 2023 and 2022, the total lease receivable was \$7.5 million and \$9.1 million, respectively. The leases have interest rates between 0.8 percent and 1.7 percent, and an estimated life of 15 to 20 years. The SNWA recognized \$1.6 million of lease revenue, \$72,839 of interest revenue, and \$11,863 of variable payment revenue related to these leases for the fiscal year ended June 30, 2023. For the fiscal year ended June 30, 2022, the SNWA recognized \$1.6 million of lease revenue, \$85,181 of interest revenue and \$12,193 variable payment revenue.

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The SNWA's future lease income under lease agreements are as follows:

Fiscal Year Ending June 30	Future lease income		
	Principal	Interest	Total
2024	\$ 1,586,469	\$ 60,486	\$ 1,646,955
2025	1,600,861	47,674	1,648,535
2026	1,616,410	34,879	1,651,289
2027	1,631,044	21,939	1,652,983
2028	339,230	13,373	352,603
2029-2033	449,681	45,265	494,946
2034-2037	317,184	9,281	326,465
	<u>\$ 7,540,879</u>	<u>\$ 232,897</u>	<u>\$ 7,773,776</u>

NOTE 7. INVENTORIES AND PREPAID EXPENSES

For information about prepaid energy, see the forward energy contract discussion in Note 14. The following table summarizes inventories and prepaid expenses at the fiscal years ended:

Type	June 30, 2023	Restated June 30, 2022
Prepaid energy	\$ 24,232,144	\$ 20,178,951
Inventory	9,041,916	8,051,932
Other prepaid expenses	2,821,242	3,178,913
Total inventories and prepaid expenses	<u>\$ 36,095,302</u>	<u>\$ 31,409,796</u>

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NOTE 8. CAPITAL ASSETS

The following tables summarize changes in major categories of capital assets for the fiscal years ended. Natural resource rights and Construction In Progress are described in more detail in Note 9 and Note 10.

Capital Assets Category	For the Fiscal Year Ended June 30, 2023			
	Restated Beginning	Increases	Decreases	Ending
Construction in progress	\$ 68,824,980	\$ 82,622,347	\$ (8,387,836)	\$ 143,059,491
Land and land rights	217,609,086	30,226,765	—	247,835,851
Natural resource rights	498,688,297	3,215,961	—	501,904,258
Property, plant, and equipment				
Structures and improvements	974,046,557	4,923,711	—	978,970,268
Intangible right to use, structures and improvements	250,928	235,398	—	486,326
Pumping stations and wells	1,422,445,977	2,564,600	—	1,425,010,577
Transmission and distribution	2,685,167,227	15,200	—	2,685,182,427
Furniture and office equipment	12,143,547	220,268	—	12,363,815
Intangible right to use, furniture and office equipment	5,425,040	—	—	5,425,040
Transportation and work equipment	156,475,181	7,039,025	(182,064)	163,332,142
Northern resources assets	33,402,189	686,496	(28,533)	34,060,152
Intangible right to use, SBITAs	3,063,211	685,831	—	3,749,042
Total property, plant, and equipment	5,292,419,857	16,370,529	(210,597)	5,308,579,789
Accumulated depreciation				
Structures and improvements	620,382,624	39,030,488	—	659,413,112
Intangible right to use, structures and improvements	180,080	72,701	—	252,781
Pumping stations and wells	340,302,973	35,104,536	—	375,407,509
Transmission and distribution	649,416,435	37,150,935	—	686,567,370
Furniture and office equipment	11,963,772	72,327	(35,382)	12,000,717
Intangible right to use, furniture and office equipment	375,040	227,384	—	602,424
Transportation and work equipment	115,653,132	5,097,632	(95,488)	120,655,276
Northern resources assets	24,817,684	1,818,314	(28,533)	26,607,465
Intangible right to use, SBITAs	599,113	639,466	—	1,238,579
Total accumulated depreciation	1,763,690,853	119,213,783	(159,403)	1,882,745,233
Total capital assets, net	\$ 4,313,851,367	\$ 13,221,819	\$ (8,439,030)	\$ 4,318,634,156

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Capital Assets Category	For the Fiscal Year Ended June 30, 2022			
	Beginning	Increases	Decreases	Restated Ending
Construction in progress	\$ 79,999,357	\$ 60,652,188	\$ (71,826,565)	\$ 68,824,980
Land and land rights	201,916,418	16,101,757	(409,089)	217,609,086
Natural resource rights	497,574,159	1,114,138	—	498,688,297
Property, plant, and equipment				
Structures and improvements	925,892,409	48,220,131	(65,983)	974,046,557
Intangible right to use, structures and improvements	250,328	600	—	250,928
Pumping stations and wells	1,419,294,308	3,151,669	—	1,422,445,977
Transmission and distribution	2,685,152,188	15,039	—	2,685,167,227
Furniture and office equipment	12,077,968	76,092	(10,513)	12,143,547
Intangible right to use, furniture and office equipment	4,554,398	870,642	—	5,425,040
Transportation and work equipment	142,621,198	14,185,084	(331,101)	156,475,181
Northern resources assets	32,533,312	1,070,082	(201,205)	33,402,189
Intangible right to use, SBITAs	—	3,063,211	—	3,063,211
Total property, plant, and equipment	5,222,376,109	70,652,550	(608,802)	5,292,419,857
Accumulated depreciation				
Structures and improvements	581,612,437	38,817,474	(47,287)	620,382,624
Intangible right to use, structures and improvements	89,834	90,246	—	180,080
Pumping stations and wells	305,299,284	35,003,689	—	340,302,973
Transmission and distribution	612,122,033	37,294,402	—	649,416,435
Furniture and office equipment	11,960,296	52,127	(48,651)	11,963,772
Intangible right to use, furniture and office equipment	183,892	191,148	—	375,040
Transportation and work equipment	110,600,206	5,345,236	(292,310)	115,653,132
Northern resources assets	22,979,238	2,039,651	(201,205)	24,817,684
Intangible right to use, SBITAs	—	599,113	—	599,113
Total accumulated depreciation	1,644,847,220	119,433,086	(589,453)	1,763,690,853
Total capital assets, net	\$ 4,357,018,823	\$ 29,087,547	\$ (72,255,003)	\$ 4,313,851,367

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NOTE 9. 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 million and payments of \$23 million per year for a ten-year period beginning in 2009. Additionally, the SNWA agreed to pay the AWBA's actual cost to recover the stored water.

After several mutually agreed upon deferrals of payment, the AWBA and 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.

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 the design and construction of the Drop 2 Reservoir, the SNWA received the right to 400,000 AF of System Efficiency Intentionally Created Surplus. The SNWA is able to utilize this water 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 land holdings of over 23,000 acres, the SNWA also acquired surface and groundwater rights associated with the properties. Through June 30, 2012, the SNWA acquired more than 33,000 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.

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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, 2023, the SNWA owned permits equivalent to 48,433 AUMs. The SNWA has verified through a third party that the AUMs have not been impeded or decreased in value by any legal actions.

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.

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 receives an allocation of Hoover power from the CRC of 17,146 kW of contingent capacity and 79,349,211 kWh per year of firm energy. This contract is effective from 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.

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. In November 2021, the Board authorized the SNWA to negotiate agreements for the purchase of additional shares in the irrigation companies that own water rights to help protect Lake Mead elevations.

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Coyote Springs Water Rights

In 1997, the Board authorized the General Manager to initiate negotiations for the purchase of groundwater rights and a well in the Coyote Springs Valley located about 60 miles northeast of Las Vegas. 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.

Binational ICS

In November 2012, the SNWA and several U.S. federal and state agencies signed a series of agreements to implement Minute 319 to the 1944 Mexican Water Treaty. Minute 319 creates a new binational framework to address shortages and surpluses on the Colorado River, and allows Mexico to store water in Lake Mead for future use. The pilot project is instrumental in funding improvements to Mexico's water infrastructure and conservation measures. The agreement helps ensure the Colorado River system can meet the needs of both countries. The SNWA was credited with 23,750 AF of water, which was proportional to its capital contribution. In September 2017, the SNWA signed a series of new agreements to implement the terms of a new Minute, Minute 323. Minute 323 continues many of the measures established in Minute 319 and includes a new binational framework for sharing reductions in water deliveries due to the ongoing drought. The SNWA was credited with an additional 9,092 AF of water, which was proportional to its capital contribution. This intentionally created surplus (ICS) is not available for delivery in a year in which a shortage condition has been determined by the U.S. Secretary of the Interior.

Other Water Rights

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

Groundwater Management Program

In 1999, the Nevada Legislature directed the SNWA to establish a Groundwater Management Program (GMP) for the Las Vegas Valley. The GMP provided for the recharging of treated Colorado River water into the Las Vegas Valley Groundwater Basin (LVVGB) for the permanent benefit of the aquifer. Funds collected as part of the GMP are used for this recharge and other programs to benefit well owners.

The following table summarizes the amounts capitalized related to natural resource rights at the fiscal years ended:

Type	June 30, 2023	June 30, 2022
Arizona water bank	\$ 136,967,572	\$ 136,967,572
Drop 2 / Brock Storage Reservoir water rights	99,797,437	99,797,437
Northern resource property and rights	62,165,558	62,165,558
Muddy River water rights	65,946,976	65,946,976
Hydropower rights	53,000,000	53,000,000
Virgin River water rights development	42,636,979	40,671,018
Coyote Springs water rights	33,229,230	33,229,230
Binational ICS	5,002,076	3,752,076
Other water rights	2,000,000	2,000,000
Groundwater management program	1,158,430	1,158,430
Total natural resource rights	<u>\$ 501,904,258</u>	<u>\$ 498,688,297</u>

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NOTE 10. CONSTRUCTION IN PROGRESS

Major Construction and Capital Plan (MCCP)

The MCCP comprises the majority of the SNWA's capital projects and is revised periodically as needed. These projects include SNWS expansions and redundancy, water treatment improvements, acquisition of water resources, efficiency improvements, projects which address environmental and safety issues, support facilities including power, and other objectives defined by the Board.

The MCCP was most recently revised and approved by the Board on November 19, 2020. The plan's estimated costs of \$3.2 billion (in 2019 dollars) provide for system expansion projects, water resource management and acquisitions, and system maintenance and upgrades. This amended MCCP also updates costs and schedules for numerous other projects and includes details for \$3.3 billion of completed projects. Costs may include design, engineering, land, construction, program management, construction management, environmental mitigation, and interest.

Lower Las Vegas Wash Stabilization Plan (LLVWSP)

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.

On October 15, 2020, the Board approved the LLVWSP that will provide for the design and construction of additional erosion control structures, as well as the design and construction of repairs to existing erosion control structures. The continued high flows in the Lower Wash and significant drawdown of Lake Mead have exacerbated erosion problems, necessitating the construction of these additional structures. These projects are being funded by 4 percent of the gross sales tax the SNWA receives which has been designated for the Wash, as well as grants and contributions from various state and federal agencies.

The following table summarizes the Construction in Progress at the fiscal years ended:

Type	June 30, 2023	June 30, 2022
Major Construction and Capital Plan	\$ 127,787,989	\$ 64,522,708
Lower Las Vegas Wash Stabilization Plan	15,271,501	4,302,272
Total construction in progress	<u>\$ 143,059,491</u>	<u>\$ 68,824,980</u>

The increase of Construction in Progress indicated above is primarily attributable to capital spending for system expansion projects such as the Horizon Lateral project and the Garnet Valley Water Transmission/Wastewater projects, as well as the Lower Las Vegas Wash Stabilization projects during fiscal year 2023.

NOTE 11. 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

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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, 2023, the SNWA has paid \$85.3 million net of sales for 341,438 AF of storage.

NOTE 12. 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 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 from bond refundings are being amortized over the life of the associated debt. As of June 30, 2023, deferred outflows and inflows of resources related to bond refundings was \$42.0 million and \$23.0 million, respectively. As of June 30, 2022, deferred outflows and inflows of resources related to bond refundings was \$48.3 million and \$26.8 million, respectively.

In fiscal year 2016, the LVVWD implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which resulted in the recognition of deferred amounts related to its pension. In fiscal year 2018, the LVVWD implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which resulted in the recognition of deferred amounts related to its postemployment benefits other than pensions. The SNWA's deferred amounts are its recognition of its share of the LVVWD's deferrals described above. As of June 30, 2023, deferred outflows and deferred inflows of resources due to related party were \$30.8 million and \$1.9 million, respectively. As of June 30, 2022, deferred outflows and inflows of resources due to related party were \$39.6 million and \$3.1 million, respectively.

As required by GASB Statement No. 83, *Certain Asset Retirement Obligation*, a government is required to record an Asset Retirement Obligation (ARO) when a legally enforceable liability exists that is associated with the retirement of a tangible capital asset which meets the criteria defined in the Statement. This liability is offset by a deferred outflow of resources. The balance on the deferred amount from AROs is amortized over the period from when the ARO criteria are met until the cash outflow eventually occurs. Note 16 provides a description of the SNWA's outstanding AROs. As of June 30, 2023 and June 30, 2022, deferred outflows of resources related to the AROs were \$0.2 million and \$0.4 million, respectively.

As required by GASB Statement No. 87, *Leases*, a entity that is a lessor of an underlying asset should recognize a lease receivable and a deferred inflow of resources. A lessor initially should measure the lease receivable at the present value of lease payments expected to be received during the lease term and an associated deferred inflow of resources of the initial amount of the lease receivable plus any lease payments received from the lessee at or before the commencement of the lease term that relate to future periods. The balance of the deferred amount from the lease is amortized over the term of the lease. As of June 30, 2023 and June 30, 2022 there were no deferred outflows and deferred inflows of resources related to leases were \$7.4 million and \$9.0 million, respectively.

The total deferred outflows of resources as of June 30, 2023 and 2022, were \$73.0 million and \$88.3 million, respectively. The net decrease of \$15.3 million resulted from three factors. First, a decrease of \$6.3 million resulting from the normal amortization of deferred losses from bond refundings. Second, an decrease of \$8.7 million due to changes in the actuarial assumptions, along with the difference between projected and actual investment earnings, and differences between expected and actual experience in the pension trust fund held by the LVVWD. Third, the decrease of \$0.2 million attributable to the amortization of the AROs.

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The total deferred inflows of resources as of June 30, 2023 and 2022, were \$32.4 million and \$38.9 million, respectively. The net decrease of \$6.5 million resulted from three factors. First, a decrease of \$3.8 million resulting from the normal amortization of deferred gains from bond refundings. Second, a decrease of \$1.2 million due to changes in the actuarial assumptions, along with the difference between projected and actual investment earnings, and differences between expected and actual experience in the Pension and OPEB trust fund held by the LVVWD. Third, the decrease of \$1.6 million of deferred lease revenue due to payments received.

NOTE 13. ACCOUNTS PAYABLE

The following table summarizes the accounts payable balances by category at the fiscal years ended:

Type	June 30, 2023	June 30, 2022
Construction and operations	\$ 24,804,561	\$ 16,833,362
Retention on construction	241,176	48,670
Energy-related	6,714,777	4,225,250
Total accounts payable	<u>\$ 31,760,514</u>	<u>\$ 21,107,282</u>

The amounts payable to the LVVWD are netted against the amounts due from the LVVWD and the \$19 million advance. See Note 5 for more information.

NOTE 14. COMMITMENTS, RESERVES, AND CONTINGENCIES

Construction Contracts

The SNWA records commitments after entering into construction contracts over \$100,000. Those commitments are relieved after payments are issued against those contracts. Those commitments are also relieved if the contract work is completed or the contract is terminated and a balance in the related commitment account remains. For the fiscal years ended June 30, 2023 and 2022, the SNWA had construction contract commitments totaling approximately \$130.4 million and \$74.1 million, respectively. These are the amounts the SNWA is obligated to pay if all contractors perform per their contracts. The SNWA could substantially reduce the amount of these commitments by notifying contractors to suspend further work and by paying for work completed to that point.

Leases

Lease Obligations

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, which began on October 1, 2008, were from one to ten years in duration, and had an annual escalation factor of three percent. 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 three percent. The rates for the new leases are 48.39 percent to 59.01 percent lower per AF than the original leases.

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. 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 three percent.

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

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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 three percent 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 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.

Each of the agreements above have been analyzed and determined to be outside the scope of GASB Statement No. 87, *Leases*. 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	Mesquite	Tribe	MVIC	CPB	Total
2024	\$ 1,925,016	\$ 432,690	\$ 300,818	\$ 260,130	\$ 2,918,654
2025	1,982,767	445,665	309,843	260,130	2,998,405
2026	2,042,250	459,030	319,138	260,130	3,080,548
2027	—	232,905	328,712	130,065	691,682
2028	—	—	338,573	—	338,573
Total payments	\$ 5,950,033	\$ 1,570,290	\$ 1,597,084	\$ 910,455	\$ 10,027,862

Lease Receivables

In 2004, the SNWA leased office space at the Molasky Corporate Center in downtown Las Vegas. In 2006, the SNWA entered into an interlocal agreement with the LVVWD to sublease 34,898 square feet of office space at the Molasky Corporate Center. Per the agreement, 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. As of June 30, 2023, the leased office space had a carrying value of \$23.7 million, with \$15.2 million in accumulated depreciation. As of July 1, 2021, the lease has been accounted for in compliance with GASB Statement No. 87, *Leases*. See Note 17.

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 three percent annual escalation. For the remaining period of the leases the SNWA anticipates receiving a minimum \$5.6 million of aggregate payments. Each of the three NVE agreements above have been analyzed and determined to be outside the scope of GASB Statement No. 87, *Leases*.

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Except as noted, none of the subleases listed above contain contingent rentals. The following table shows the future minimum rental incomes for the next five years due under the terms of the lease contracts described above:

Fiscal Year Ending June 30	NVE
2024	\$ 130,435
2025	134,348
2026	138,378
2027	142,529
2028	146,805
Total incomes	<u>\$ 692,495</u>

Forward Energy Contracts

Energy is an integral component of treating and delivery water. The SNWS service area is uphill from Lake Mead, the main source of the SNWA's water. To gain more control over energy reliability and costs, the SNWA manages most of its power supply rather than purchasing energy from the local regulated investor-owned utility under tariff rates approved by the Nevada Public Utilities Commission. This provides greater control of future prices and projected savings over the same commodity purchased from the investor owned utility.

The SNWA began purchasing over 95 percent of its power requirements from the Silver State Energy Association (SSEA) beginning April 1, 2013, under Project Services Agreement No. 3: Power Supply Management Services Agreement, Load Requirements Service (LRS). The SSEA is a joint powers association of public agencies, which was formed in 2007. Its members include the City of Boulder City, Overton Power District No. 5, Lincoln Power District No. 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. For more information about the SSEA, see Note 20.

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. As of June 30, 2023 and 2022 the SNWA had prepaid energy in the amount of \$24.2 million and \$20.2 million, respectively.

Prior to taking service from the SSEA, the SNWA managed its own portfolio of energy resources which included long-term contracts for the purchase of hydropower from federal dams along the Colorado River. Because SNWA's portfolio of energy contracts exists solely for purposes of serving the SNWA's projected energy requirements, 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 counter-party credit and termination risks, which are managed by policies and procedures that require careful financial evaluation of trading partners; trading limits; and in some cases as specified by policy, the posting of collateral.

As of June 30, 2023, the SNWA had net energy contract cost commitments for the next six fiscal years totaling approximately \$144.9 million, which includes its projected allocation of the SSEA net energy contract commitments.

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Litigation

The SNWA is a defendant in various lawsuits. Although the outcome of these matters is not presently determinable, it is the opinion of management based upon advice from legal counsel that the resolution of these matters will not have a material adverse effect on its future financial position, results of operations, or cash flows of SNWA.

NOTE 15. DUE TO RELATED PARTY

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*. Because of this implementation, the LVVWD allocates a portion of the net pension liability to the SNWA. For the fiscal years ended June 30, 2023 and 2022, the allocated net pension liabilities were \$102.8 million and \$102.9 million, respectively.

Effective July 1, 2017, the LVVWD implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. This Statement replaced the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multi-Employer Plans*, for OPEB. Because of this implementation, the LVVWD allocates a portion of the liability related to postemployment benefits other than pensions (OPEB) to the SNWA. For the fiscal years ended June 30, 2023 and 2022, allocated OPEB liabilities were \$4.1 million and \$3.7 million, respectively.

As of June 30, 2023 and 2022, due to related party balances were \$106.8 million and \$106.7 million, respectively. Although the implementations of GASB Statements No. 75 and 68 were not applicable to the SNWA, the SNWA is liable to the LVVWD for its proportionate share of the OPEB and pension liabilities.

NOTE 16. ASSET RETIREMENT OBLIGATIONS

In compliance with GASB Statement No. 83, *Certain Asset Retirement Obligations*, the SNWA records a liability when it has a legally enforceable obligation associated with the permanent retirement of a tangible capital asset and that obligation is the result of normal operations. AROs are recorded in the period in which they are incurred and reasonably estimable. Retirement of assets may involve efforts such as removal of equipment, demolition, revegetation, and other related activities, depending on the nature and location of the assets. In identifying AROs, the SNWA considers identification of legally enforceable obligations, estimates of costs and settlement dates, and the application of an appropriate discount rate to be used in calculating the present value of the obligations. The SNWA routinely reviews and reassesses its estimates to determine if an adjustment to the value of the AROs is required.

In May 2020, the SNWA moved the Groundwater Project to long-term delayed status. The monitoring of surface water and groundwater was an integral activity in developing those water resources. This monitoring was being accomplished with a variety of monitoring wells, test wells, spring piezometers, flumes for measuring surface water, and other spring and precipitation gauges. Although management deemed the Groundwater Project to be placed in long-term delayed status and not canceled, the length of the delay was anticipated to be many years if not decades into the future. Therefore, management deemed it appropriate to cap the wells, remove the monitoring equipment, and perform the necessary site refurbishments. These activities constitute the AROs identified in this footnote. The legal obligation to cap the wells and refurbish the well sites arise from Nevada Administrative Code 534.427 and Federal regulation N-78531, N-78670, N-82765, and N-84216. The legal obligation to remove monitoring equipment and refurbish those monitoring sites arise from the various right-of-way and access agreements. The AROs include internal labor, demolition, and restoration estimates, which are allocated by year for each ARO then discounted to present value. The SNWA is not required to restrict assets to satisfy the AROs. The following table shows the SNWA's noncurrent liability AROs:

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	Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2022
Beginning balance	\$ 1,313,458	\$ 1,290,234
Interest/Accretion	16,173	23,224
Ending balance	<u>\$ 1,329,631</u>	<u>\$ 1,313,458</u>

NOTE 17. LONG-TERM DEBT

Authority to Issue Debt

The SNWA's authority to issue debt is derived from the Facilities and Operations Agreement, as amended, and NRS Title 30 - PUBLIC BORROWINGS AND OBLIGATIONS, Chapter 348 'Registration of Public Securities' and Chapter 350 'Municipal Obligations'.

Debt Creation and Reporting

The SNWA funds the majority of its capital expenditures with the proceeds of debt issuances. This is intended to align the beneficiaries of the long lived capital assets with those paying for them. The SNWA generally issues debt to fund the next two or three years of estimated capital expenditures. This is intended to minimize the carrying costs of bond proceeds. The SNWA may also fund capital expenditures on a pay-as-you-go basis with other available monies.

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 various participants in the investor community and the general public. In addition, the Debt Management Policy is included in the SNWA's annual Operating and Capital Budget document.

In addition, the SNWA makes required continuing disclosures on the Municipal Securities Rulemaking Board's central repository, the Electronic Municipal Market Access (EMMA) website. Those disclosures include a variety of debt reporting.

Debt Covenants

The debt covenants are specific to each debt issuance and are identified in the *Official Statement* document of each bond issuance or loan agreement. As stated above, continuing disclosure requirements are available on the EMMA website. 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 LVVWD employees and an annual audit of the SNWA's basic financial statements by independent certified public accountants.

Direct Borrowings and Direct Placements

All of the SNWA's outstanding bonds are direct placements. As of June 30, 2023, the SNWA does not have any direct borrowings outstanding or any unused lines of credit. The SNWA does not have assets pledged as collateral. The SNWA does not have terms specified in its debt agreements related to significant (1) events of default with finance-related consequences, (2) termination events with finance-related consequences, or (3) subjective acceleration clauses.

The SNWA could issue municipal bonds directly to the public markets, but those bonds would likely be more expensive because the SNWA does not have the authority to levy a property tax. Therefore, the SNWA has been able to access the

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public markets through other local governments at a lower cost. All of the SNWA's outstanding debt is with the LVVWD, Clark County, and the State of Nevada.

In-Substance Defeasance of Debt

Occasionally debt issued on the SNWA's behalf is refunded, which is most often done for savings. Usually, the refunding debt is issued before the redemption date of the refunded debt. In those instances, proceeds from the refunding issuance are placed in an irrevocable trust to fund the remaining debt service on the refunded debt. When this occurs, neither the assets in the irrevocable trust nor the liabilities for those in-substance defeased debt are included in the SNWA's financial statements. As of June 30, 2023, the SNWA had no bond issues with prior year in-substance defeased debt outstanding. 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 12).

Arbitrage Rebate Requirement

When investment earnings on bond proceeds exceed the cost of those bonds, there is an arbitrage gain. Federal law requires that arbitrage gains on tax-exempt bonds be rebated back to the United States Treasury. This arbitrage liability is calculated five years after issuance, every five years thereafter, and when the bonds are defeased. At June 30, 2023 and 2022 the SNWA had an arbitrage liability in the amount of \$1.1 million and \$0.2 million, respectively.

Prior Year Debt Issuances

On November 2, 2021, the Clark County Bond Bank (CCBB) issued the series 2021 refunding bonds on behalf of the SNWA in the original amount of \$67.6 million with \$2.4 million of premiums. Proceeds from the bonds were deposited into escrow to refund the remaining portions of the CCBB 1106 bonds. The CCBB 2021 refunding is comprised of serial bonds maturing on November 1, 2033; November 1, 2035; and November 1, 2036. Interest will be paid semiannually on May 1 and November 1. The true interest cost is 2.08 percent. The aggregate difference in debt service between the refunding debt and the refunded debt is \$6.8 million. The net present value of these savings are \$5.7 million.

On February 1, 2022, the LVVWD issued the LVVWD 2022A new money bonds on behalf of the SNWA in the original amount of \$292.2 million with \$59.4 million of premiums. Proceeds from the bonds will be used to fund capital expenditures. The LVVWD 2022A bonds are comprised of serial bonds maturing annually on June 1 between 2023 and 2044 as well as term bonds maturing on June 1, 2046 and June 1, 2051. Interest will be paid semiannually on June 1 and December 1. The true interest cost is 2.66 percent.

On March 3, 2022, the LVVWD issued the LVVWD 2022C refunding bonds on behalf of the SNWA in the original amount of \$253.8 million with \$49.8 million of premiums. Proceeds from the bonds were deposited into escrow to refund the remaining portions of the LVVWD 2012B bonds. The LVVWD 2022C refunding is comprised of serial bonds maturing on June 1 between 2023 and 2042. Interest will be paid semiannually on June 1 and December 1. The true interest cost is 2.33 percent. The aggregate difference in debt service between the refunding debt and the refunded debt is \$92.1 million. The net present value of these savings are \$76.6 million.

On May 10, 2022, the CCBB issued the series 2022A refunding bonds on behalf of the SNWA in the original amount of \$75.1 million with \$5.2 million of premiums. Proceeds from the bonds were deposited into escrow to refund the remaining portions of the CCBB 2012A bonds. The CCBB 2022A refunding is comprised of serial bonds maturing on June 1 between 2029 and 2032. Interest will be paid semiannually on June 1 and December 1. The true interest cost is 3.14 percent. The aggregate difference in debt service between the refunding debt and the refunded debt is \$5.8 million. The net present value of these savings are \$4.5 million.

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The following is a summary of each of the long-term debt issues that were outstanding during the fiscal years ended June 30, 2023 and June 30, 2022:

Debt Issue	Description	Issue Date	Final Payment	Interest Rate	Original Issue Amount
SRF 2	State of Nevada, Drinking Water State Revolving Fund Loan, Contract SNWA-2	6/29/2001	8/1/2021	3.46%	\$10,000,000
CCBB 1106	Clark County, Nevada, General Obligation (Limited Tax), Bond Bank Bonds (Additionally Secured by Pledged Revenues), Series 2006	11/2/2006	11/1/2036	2.50% - 5.00%	\$604,140,000
SNWA 2008 CREB	Clean Renewable Energy, Subordinate Lien Revenue Bonds	7/30/2008	12/15/2022	1.17%	\$6,900,000
State of Nevada 2009	State of Nevada, Drinking Water State Revolving Fund Loan, Contract ARRA SNWA-2	12/11/2009	7/1/2029	0.00%	\$2,214,457
CCBB 2012	Clark County, Nevada, General Obligation (Limited Tax), Bond Bank Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2012	6/20/2012	6/1/2032	4.00% - 5.00%	\$85,015,000
LVVWD 2012B	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Bonds, Series 2012B	7/31/2012	6/1/2042	3.00% - 5.00%	\$360,000,000
State of Nevada 2013	State of Nevada, Southern Nevada Water Authority, Revenue Refunding Bond, Series 2013	2/20/2013	8/1/2027	3.00%	\$21,720,000
LVVWD 2015	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Bonds, Series 2015	1/13/2015	6/1/2039	5.00%	\$332,405,000
LVVWD 2015B	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Refunding Bonds, Series 2015B	6/1/2015	12/1/2027	4.00% - 5.00%	\$177,635,000
LVVWD 2015C	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Refunding Bonds, Series 2015C	6/18/2015	9/15/2029	3.00% - 5.00%	\$42,125,000
CCBB 2016A	Clark County, Nevada, General Obligation (Limited Tax), Bond Bank Refunding Bonds, (Additionally Secured by Pledged Revenues), Series 2016A	3/3/2016	11/1/2029	5.00%	\$263,955,000
LVVWD 2016A	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Improvement and Refunding Bonds, Series 2016A	4/6/2016	6/1/2046	3.00% - 5.00%	\$497,785,000

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Debt Issue	Description	Issue Date	Final Payment	Interest Rate	Original Issue Amount
CCBB 2016B	Clark County, Nevada, General Obligation (Limited Tax), Bond Bank Refunding Bonds, (Additionally Secured by Pledged Revenues), Series 2016B	8/3/2016	11/1/2034	4.00% - 5.00%	\$271,670,000
LVVWD 2017B	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Refunding Bonds, Series 2017B	3/14/2017	6/1/2032	3.00% - 5.00%	\$22,115,000
CCBB 2017	Clark County, Nevada, General Obligation (Limited Tax), Bond Bank Refunding Bonds, (Additionally Secured by Pledged Revenues), Series 2017	3/22/2017	6/1/2038	4.00% - 5.00%	\$321,640,000
LVVWD 2018B	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Refunding Bonds, Series 2018B	3/6/2018	6/1/2026	5.00%	\$79,085,000
LVVWD 2019A	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Refunding Bonds, Series 2019A	3/13/2019	6/1/2039	5.00%	\$107,975,000
LVVWD 2019B	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Refunding Bonds, Series 2019B	10/16/2019	6/1/2027	5.00%	\$90,280,000
LVVWD 2020A	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Refunding Bonds, Series 2020A	3/3/2020	6/1/2034	3.00% - 5.00%	\$123,860,000
LVVWD 2021A	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Refunding Bonds, Series 2021A	3/3/2021	6/1/2038	2.00% - 5.00%	\$144,685,000
LVVWD 2021C	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Refunding Bonds, Series 2021C	3/25/2021	6/1/2034	2.00% - 5.00%	\$208,145,000
CCBB 2021	Clark County, Nevada, General Obligation (Limited Tax), Bond Bank Refunding Bonds (Additionally Secured by SNWA Pledged Revenues), Series 2021	11/2/2021	11/1/2036	2.13% - 3.00%	\$67,620,000
LVVWD 2022A	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Improvement Bonds, Series 2022A	2/1/2022	6/1/2051	4.00% - 5.00%	\$292,240,000
LVVWD 2022C	Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax), (Additionally Secured by SNWA Pledged Revenues), Water Refunding Bonds, Series 2022C	3/3/2022	6/1/2042	4.00% - 5.00%	\$253,820,000
CCBB 2022A	Clark County, Nevada, General Obligation (Limited Tax), Bond Bank Refunding Bonds (Additionally Secured by SNWA Pledged Revenues), Series 2022A	5/10/2022	6/1/2032	4.00%	\$75,090,000

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The following schedule presents long-term debt activity in the fiscal year ended June 30, 2023:

Debt Issue	Balance on June 30, 2022	Additions	Reductions	Balance on June 30, 2023	Due Within One Year	Due After One Year
SNWA 2008 CREB	\$ 460,000	\$ —	\$ (460,000)	\$ —	\$ —	\$ —
State of Nevada 2009	949,053	—	(126,541)	822,512	126,540	695,972
State of Nevada 2013	21,720,000	—	(21,720,000)	—	—	—
LVVWD 2015	332,405,000	—	—	332,405,000	—	332,405,000
LVVWD 2015B	105,560,000	—	(14,195,000)	91,365,000	14,920,000	76,445,000
LVVWD 2015C	24,595,000	—	(3,420,000)	21,175,000	3,590,000	17,585,000
Clark County 2016A	121,110,000	—	(18,625,000)	102,485,000	19,635,000	82,850,000
LVVWD 2016A	425,425,000	—	(17,325,000)	408,100,000	18,185,000	389,915,000
CCBB 2016B	250,800,000	—	(16,140,000)	234,660,000	16,935,000	217,725,000
LVVWD 2017B	17,040,000	—	(1,865,000)	15,175,000	1,955,000	13,220,000
CCBB 2017	278,935,000	—	(12,045,000)	266,890,000	12,645,000	254,245,000
LVVWD 2018B	43,490,000	—	(10,065,000)	33,425,000	10,580,000	22,845,000
LVVWD 2019A	100,365,000	—	(2,795,000)	97,570,000	2,935,000	94,635,000
LVVWD 2019B	75,085,000	—	(15,955,000)	59,130,000	16,755,000	42,375,000
LVVWD 2020A	110,835,000	—	(7,005,000)	103,830,000	7,355,000	96,475,000
LVVWD 2021A	132,880,000	—	(12,395,000)	120,485,000	13,020,000	107,465,000
LVVWD 2021C	196,120,000	—	(12,505,000)	183,615,000	13,005,000	170,610,000
CCBB 2021	67,620,000	—	—	67,620,000	—	67,620,000
LVVWD 2022A	292,240,000	—	(5,035,000)	287,205,000	5,285,000	281,920,000
LVVWD 2022C	253,820,000	—	(7,895,000)	245,925,000	8,295,000	237,630,000
CCBB 2022A	75,090,000	—	—	75,090,000	—	75,090,000
Total direct placements	2,926,544,053	—	(179,571,541)	2,746,972,512	165,221,540	2,581,750,972
 Total long-term debt before unamortized premiums and discounts	 2,926,544,053	 —	 (179,571,541)	 2,746,972,512	 165,221,540	 2,581,750,972
 Unamortized premiums and discounts	 367,154,478	 —	 (49,416,421)	 317,738,057	 —	 317,738,057
Total long-term debt	\$ 3,293,698,531	\$ —	\$ (228,987,962)	\$ 3,064,710,569	\$ 165,221,540	\$ 2,899,489,029

SOUTHERN NEVADA WATER AUTHORITY
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

The following schedule presents long-term debt activity in the fiscal year ended June 30, 2022:

Debt Issue	Balance on June 30, 2021	Additions	Reductions	Balance on June 30, 2022	Due Within One Year	Due After One Year
SRF 2	\$ 342,545	\$ —	\$ (342,545)	\$ —	\$ —	\$ —
Total direct borrowings	342,545	—	(342,545)	—	—	—
CCBB 1106	69,545,000	—	(69,545,000)	—	—	—
SNWA 2008 CREB	920,000	—	(460,000)	460,000	460,000	—
State of Nevada 2009	1,075,593	—	(126,540)	949,053	126,540	822,513
CCBB 2012	79,515,000	—	(79,515,000)	—	—	—
LVVWD 2012B	308,025,000	—	(308,025,000)	—	—	—
State of Nevada 2013	21,720,000	—	—	21,720,000	—	21,720,000
LVVWD 2015	332,405,000	—	—	332,405,000	—	332,405,000
LVVWD 2015B	119,060,000	—	(13,500,000)	105,560,000	14,195,000	91,365,000
LVVWD 2015C	27,855,000	—	(3,260,000)	24,595,000	3,420,000	21,175,000
Clark County 2016A	149,570,000	—	(28,460,000)	121,110,000	18,625,000	102,485,000
LVVWD 2016A	441,675,000	—	(16,250,000)	425,425,000	17,325,000	408,100,000
CCBB 2016B	255,390,000	—	(4,590,000)	250,800,000	16,140,000	234,660,000
LVVWD 2017B	18,815,000	—	(1,775,000)	17,040,000	1,865,000	15,175,000
CCBB 2017	290,405,000	—	(11,470,000)	278,935,000	12,045,000	266,890,000
LVVWD 2018B	53,065,000	—	(9,575,000)	43,490,000	10,065,000	33,425,000
LVVWD 2019A	103,025,000	—	(2,660,000)	100,365,000	2,795,000	97,570,000
LVVWD 2019B	90,280,000	—	(15,195,000)	75,085,000	15,955,000	59,130,000
LVVWD 2020A	117,505,000	—	(6,670,000)	110,835,000	7,005,000	103,830,000
LVVWD 2021A	144,685,000	—	(11,805,000)	132,880,000	12,395,000	120,485,000
LVVWD 2021C	208,145,000	—	(12,025,000)	196,120,000	12,505,000	183,615,000
CCBB 2021	—	67,620,000	—	67,620,000	—	67,620,000
LVVWD 2022A	—	292,240,000	—	292,240,000	5,035,000	287,205,000
LVVWD 2022C	—	253,820,000	—	253,820,000	7,895,000	245,925,000
CCBB 2022A	—	75,090,000	—	75,090,000	—	75,090,000
Total direct placements	2,832,680,593	688,770,000	(594,906,540)	2,926,544,053	157,851,540	2,768,692,513
Total long-term debt before unamortized premiums and discounts	2,833,023,138	688,770,000	(595,249,085)	2,926,544,053	157,851,540	2,768,692,513
Unamortized premiums and discounts	304,767,722	116,762,211	(54,375,455)	367,154,478	—	367,154,478
Total long-term debt	\$ 3,137,790,860	\$ 805,532,211	\$ (649,624,540)	\$ 3,293,698,531	\$ 157,851,540	\$ 3,135,846,991

SOUTHERN NEVADA WATER AUTHORITY
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

The SNWA total debt service requirements to final maturity are as follows:

Fiscal Year Ending June 30	Bonds from Direct Placements		
	Principal	Interest	Total
2024	\$ 165,221,540	\$ 124,738,575	\$ 289,960,115
2025	164,061,540	116,413,075	280,474,615
2026	172,486,540	107,927,575	280,414,115
2027	174,006,540	99,195,025	273,201,565
2028	146,631,540	90,859,900	237,491,440
2029 - 2033	696,084,812	356,557,938	1,052,642,750
2034 - 2038	686,485,000	209,593,131	896,078,131
2039 - 2043	341,850,000	80,862,800	422,712,800
2044 - 2048	151,760,000	26,584,000	178,344,000
2049 - 2051	48,385,000	3,921,400	52,306,400
Total debt service	<u>\$ 2,746,972,512</u>	<u>\$ 1,216,653,419</u>	<u>\$ 3,963,625,931</u>

Lease Obligations

The SNWA, as a subscription, has entered into six lease agreements involving billboard space, land for right-of ways and operating equipment. As of June 30, 2023 and 2022, the lease liability was \$5.3 million, respectively. The leases have interest rates between 0.3 percent and 3.3 percent, and an estimated life of 2 to 31 years. The SNWA made \$0.2 million of principal, \$112,517 of interest, and \$27,108 of variable payments related to these leases for the fiscal year ended June 30, 2023. For the fiscal year ended June 30, 2022, the SNWA made \$0.2 million of principal, \$91,964 of interest and \$14,872 of variable payments.

	Balance at June 30, 2022	Additions	Reductions	Balance at June 30, 2023	Due Within One Year	Due After One Year
Lease obligation	\$ 5,250,709	\$ 235,439	\$ (214,299)	\$ 5,271,849	\$ 207,793	\$ 5,064,056

	Balance at June 30, 2021	Additions	Reductions	Balance at June 30, 2022	Due Within One Year	Due After One Year
Lease obligation	\$ 4,608,084	\$ 871,242	\$ (228,617)	\$ 5,250,709	\$ 181,101	\$ 5,069,608

SOUTHERN NEVADA WATER AUTHORITY
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

The SNWA total lease payments under lease agreements are as follows:

Fiscal Year Ending June 30	Future lease payments		
	Principal	Interest	Total
2024	\$ 207,793	\$ 109,642	\$ 317,435
2025	216,514	105,694	322,208
2026	225,197	101,878	327,075
2027	197,733	97,938	295,671
2028	179,781	94,241	274,022
2029-2033	1,024,827	404,885	1,429,712
2034-2038	1,257,494	278,361	1,535,855
2039-2043	1,458,969	125,944	1,584,913
2044-2048	503,541	8,859	512,400
Total lease liability	\$ 5,271,849	\$ 1,327,442	\$ 6,599,291

Subscription Obligations

The SNWA has entered into multiple SBITAs. As of June 30, 2023 and 2022, the SBITA liability was \$1.8 million and \$2.2 million, respectively. The leases have interest rates between 0.5 percent and 2.2 percent, and an estimated life of 1 to 7 years. The SNWA made \$0.5 million of principal, \$13,853 of interest, and \$998 of variable payments related to these SBITAs for the fiscal year ended June 30, 2023. For the fiscal year ended June 30, 2022, the SNWA made \$0.7 million of principal, \$15,319 of interest and no variable payments.

	Balance at June 30, 2022	Additions	Reductions	Balance at June 30, 2023	Due Within One Year	Due After One Year
Subscription obligation	\$ 2,169,315	\$ 193,700	\$ (526,012)	\$ 1,837,003	\$ 624,872	\$ 1,212,131

	Balance at June 30, 2021	Additions	Reductions	Balance at June 30, 2022	Due Within One Year	Due After One Year
Subscription obligation	\$ —	\$ 2,857,686	\$ (688,371)	\$ 2,169,315	\$ 526,025	\$ 1,643,290

The SNWA total SBITA payments are as follows:

Fiscal Year Ending June 30	Future SBITA payments		
	Principal	Interest	Total
2024	\$ 624,872	\$ 12,858	\$ 637,730
2025	630,214	7,471	637,685
2026	335,615	3,288	338,903
2027	224,965	1,300	226,265
2028	21,337	35	21,372
Total subscription obligations	\$ 1,837,003	\$ 24,952	\$ 1,861,955

SOUTHERN NEVADA WATER AUTHORITY
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 18. 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*. The following table summarizes capital contributions during the fiscal years ended:

Type	June 30, 2023	June 30, 2022
Regional infrastructure charge	\$ 199,087,470	\$ 180,478,489
Regional connection charge	106,522,272	111,110,114
Sales tax	95,233,667	89,300,519
Regional commodity charge	76,408,093	73,378,159
Regional reliability surcharge	6,461,105	6,242,651
Southern Nevada Public Lands Management Act	3,966,258	4,900,299
Contributed capital - cash and equivalents	2,995,079	—
Purveyor member debt service billings ⁽¹⁾	316,721	315,324
Total capital contributions	<u>\$ 490,990,665</u>	<u>\$ 465,725,555</u>

⁽¹⁾ Neither the City of Boulder City nor Nellis Air Force Base collect regional infrastructure charges, regional connection charges, regional commodity charges, or regional reliability 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.

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 following table summarizes the differences in capital contributions for the fiscal years ended:

Type	June 30, 2023	June 30, 2022
Capital contributions per statements of revenues, expenses, and changes in net position	\$ 490,990,665	\$ 465,725,555
Expenses related to expansion programs	(55,752,968)	(45,573,746)
Net prior and current year sales tax receivables	(415,188)	(3,061,724)
Net prior and current year sales tax payable to Clark County		
Water purveyors outside SNWA's service area	163,630	1,168,715
Net prior and current year connection, commodity, reliability, and infrastructure receivables	5,151,178	(9,595,602)
Net prior and current year Southern Nevada Public Lands Management Act receivable	1,343,775	(3,593,773)
Capital contributions per the Statements of Cash Flows	<u>\$ 441,481,093</u>	<u>\$ 405,069,425</u>

SOUTHERN NEVADA WATER AUTHORITY
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

NOTE 19. 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 million with a deductible of \$1 million for all locations, except earthquake and flood which has a limit of \$100 million and \$50 million, respectively. SNWA purchases terrorism insurance for all locations with a blanket limit of \$250 million for all terrorist acts with a \$10,000 deductible.

LVVWD CI, Inc. (LVVWD CI) was established as of January 1, 2022 to act as a captive insurance company for the LVVWD and SNWA. The SNWA self-insures the first \$1 million of property, automobile, and general liability exposure through this captive, and purchases excess liability insurance in the amount of \$20 million. Employee fidelity insurance in the amount of \$3 million and other miscellaneous coverages are also purchased. For the fiscal year ended June 30, 2023, the SNWA had no significant reductions in insurance coverage from the prior fiscal year.

In contracts, the SNWA obtains indemnification and hold harmless agreements. These agreements require that contractors name the SNWA as an additional insured under the indemnitor's insurance coverage, usually in the amount of \$1 million for commercial general and automobile liability insurance. The SNWA provides builders risk insurance for certain construction projects with a blanket limit of \$50 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.

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, 2023, the SNWA had no significant retained risks and therefore has no accrued liability for retained risks. In addition, there are also situations in which incidents occur before the balance sheet date, but claims are not reported or asserted when the financial statements are prepared.

NOTE 20. JOINT VENTURE

The SNWA is a member of the 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. For information on the SNWA's ongoing financial interests and responsibilities with the SSEA, see the comments about forward energy contracts in Note 14.

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.

SOUTHERN NEVADA WATER AUTHORITY
Notes to Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Information regarding SSEA can be obtained from:

SSEA Manager
100 City Parkway, Suite 700, MS 115
Las Vegas, NV 89106
(702) 691-5240
silverstateenergy.org

NOTE 21. SUBSEQUENT EVENTS

Management has evaluated subsequent events for disclosure and recognition through October 17, 2022, the issuance date of these financial statements, and there were no material events that require disclosure.

Supplementary Information



SOUTHERN NEVADA WATER AUTHORITY

Supplementary Information

Budgetary Comparison - Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2023

	Budget ⁽¹⁾	Actuals
OPERATING REVENUES		
Wholesale delivery charges	\$ 163,997,961	\$ 154,732,456
Other revenues	8,849,505	10,971,335
Total operating revenues	<u>172,847,466</u>	<u>165,703,791</u>
OPERATING EXPENSES		
Salaries and benefits	94,120,623	94,655,314
Purchased energy	51,560,553	62,523,343
Operations and maintenance	122,234,157	74,729,552
Depreciation	133,276,061	119,213,783
Total operating expenses	<u>401,191,394</u>	<u>351,121,992</u>
OPERATING LOSS	<u>(228,343,928)</u>	<u>(185,418,201)</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income (loss)	11,444,897	8,032,748
Interest expense	(133,513,043)	(132,171,943)
Amortization of refunding costs	(15,349,842)	(2,579,552)
Amortization of bond premiums and discounts	46,191,902	49,416,421
Gain on sale of assets	—	51,034
Other	(72,328)	9,896
Total nonoperating expenses	<u>(91,298,414)</u>	<u>(77,241,396)</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS	<u>(319,642,342)</u>	<u>(262,659,597)</u>
Capital contributions	425,051,123	490,990,665
CHANGE IN NET POSITION	<u><u>\$ 105,408,781</u></u>	<u><u>\$ 228,331,068</u></u>

⁽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
Supplementary Information
Budgetary Comparison - Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023

	Budget⁽¹⁾	Actuals
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 172,847,467	\$ 166,681,132
Cash payments to suppliers for goods and services	(272,915,333)	(169,679,458)
Net cash (used in) provided by operating activities	(100,067,866)	(2,998,326)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(270,273,982)	(115,298,624)
Proceeds from sale of property, plant, and equipment	—	92,554
Bond issue costs	(72,328)	—
Principal paid on debt	(157,851,540)	(179,571,540)
Interest paid on debt	(133,375,566)	(133,327,561)
Capital contributed	425,051,123	441,481,093
Other cash payments	9,957,236	—
Right-of-use leases	(1,004,123)	(627,743)
Subscription assets	—	(530,773)
Other assets	—	(1,276,697)
Net cash (used in) provided by capital and related financing activities	(127,569,180)	10,940,709
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investment securities	(755,407,537)	(602,593,099)
Proceeds from sales or maturities of investment securities	972,023,296	580,941,643
Interest on investments	11,444,897	19,190,338
Net cash provided by (used in) investing activities	228,060,656	(2,461,118)
NET CHANGE IN CASH AND CASH EQUIVALENTS	423,610	5,481,265
Cash and cash equivalents at beginning of year	(90,747,136)	28,271,869
Cash and cash equivalents at end of year	\$ (90,323,526)	\$ 33,753,134

⁽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



Information on Financial Trends

- Net Position by Component
- Changes in Net Position

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



SOUTHERN NEVADA WATER AUTHORITY

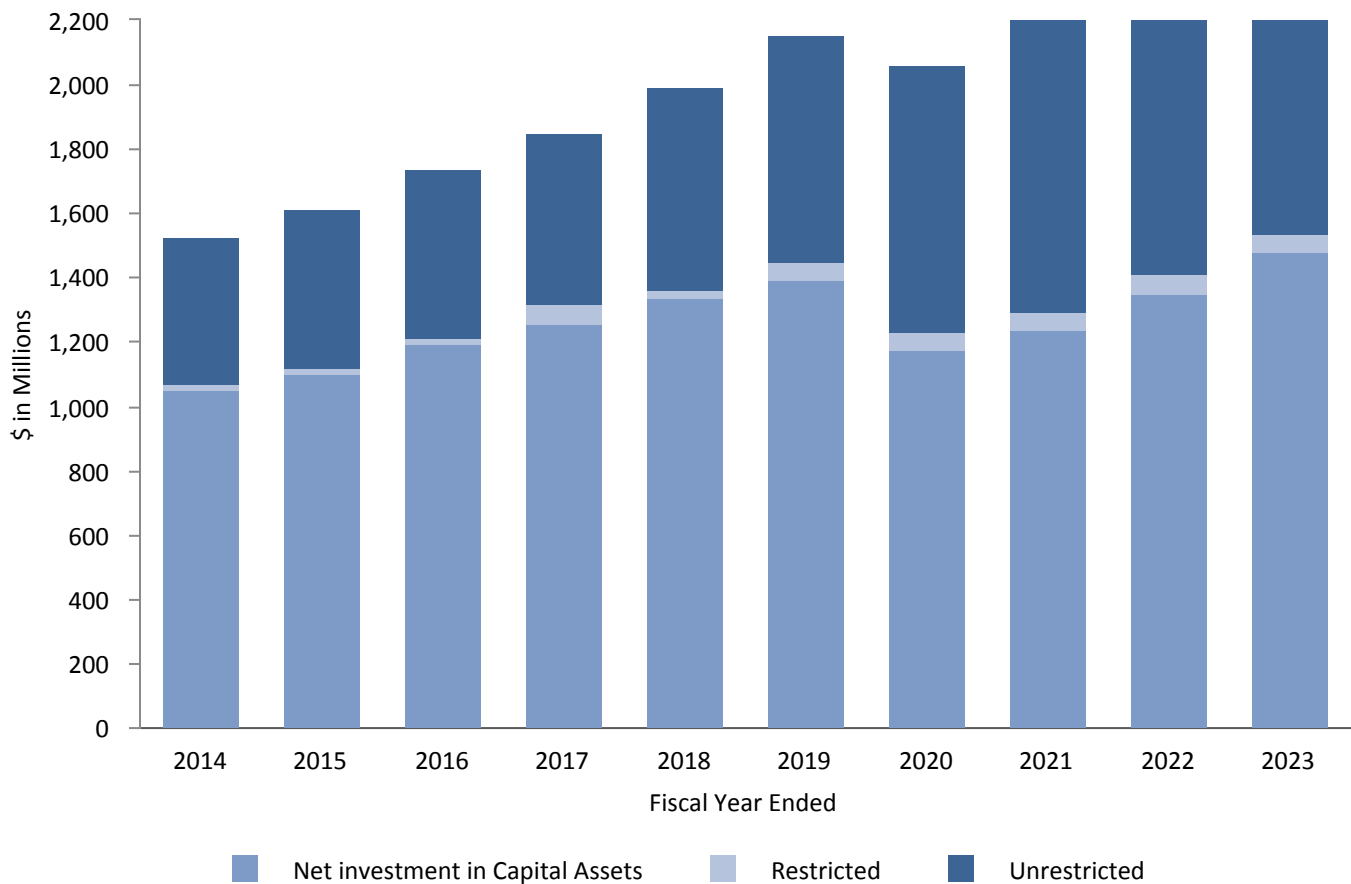
Net Position by Component (Unaudited)

Last Ten Fiscal Years

Fiscal Year Ended June 30	Net Investments in Capital Assets	Restricted for Debt Services / Capital Assets ⁽¹⁾	Unrestricted	Total Net Position
2023	\$ 1,483,733,415	\$ 56,653,556	\$ 1,110,254,323	\$ 2,650,641,294
2022	1,353,362,512	58,514,308	1,010,433,406	2,422,310,226
2021	1,243,314,739	53,747,016	953,368,204	2,250,429,959
2020	1,180,348,601	52,335,531	831,412,161	2,064,096,293
2019	1,394,041,563	56,636,255	704,735,603	2,155,413,421
2018	1,338,529,398	28,267,590	628,534,300	1,995,331,288
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

⁽¹⁾ Starting in fiscal year 2019, the debt service sinking fund was added to the Restricted for Debt Service / Capital Assets category of Net Position.

Net Position



SOUTHERN NEVADA WATER AUTHORITY

Changes in Net Position (Unaudited)

Last Ten Fiscal Years

	Fiscal Year ended June 30,				
	<u>2023</u>	<u>Restated</u> <u>2022⁽⁴⁾</u>	<u>Restated</u> <u>2021⁽³⁾</u>	<u>2020</u>	<u>2019</u>
OPERATING REVENUES					
Wholesale delivery charges	\$ 154,732,456	\$ 149,758,833	\$ 150,770,017	\$ 145,992,532	\$ 133,258,094
Other revenues	10,971,335	9,279,805	8,923,232	7,506,987	7,982,535
Total operating revenues	<u>165,703,791</u>	<u>159,038,638</u>	<u>159,693,249</u>	<u>153,499,519</u>	<u>141,240,629</u>
OPERATING EXPENSES					
Salaries and benefits	94,655,314	80,966,019	73,873,741	82,400,694	78,516,987
Purchased energy	62,523,343	43,922,478	38,583,902	37,809,348	36,366,008
Operations and maintenance	74,729,552	72,976,897	67,379,305	58,690,833	58,311,354
Depreciation and amortization	119,213,783	119,433,086	120,645,921	103,807,919	96,091,468
Total operating expenses	<u>351,121,992</u>	<u>317,298,480</u>	<u>300,482,869</u>	<u>282,708,794</u>	<u>269,285,817</u>
OPERATING LOSS	<u>(185,418,201)</u>	<u>(158,259,842)</u>	<u>(140,789,620)</u>	<u>(129,209,275)</u>	<u>(128,045,188)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income (loss)	8,032,748	(40,799,860)	1,183,566	31,356,661	31,036,983
Interest expense (net of BAB subsidy)	(132,171,943)	(135,161,878)	(133,003,062)	(137,079,613)	(145,081,067)
Amortization of refunding costs	(2,579,552)	(4,483,146)	(15,349,842)	(6,845,470)	(3,525,674)
Bond issue and commercial paper costs	—	(3,863,276)	(2,126,713)	(2,321,097)	(2,468,614)
Amortization of bond issue costs, premiums, and discounts	49,416,421	48,583,931	51,324,335	73,806,092	19,895,176
Gain on sale of assets	51,034	138,783	319,822	122,823	116,341
Other	9,896	—	—	—	—
Total nonoperating expenses	<u>(77,241,396)</u>	<u>(135,585,446)</u>	<u>(97,651,894)</u>	<u>(40,960,604)</u>	<u>(100,026,855)</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS	<u>(262,659,597)</u>	<u>(293,845,288)</u>	<u>(238,441,514)</u>	<u>(170,169,880)</u>	<u>(228,072,043)</u>
Capital contributions	490,990,665	465,725,555	424,775,180	405,956,087	388,154,176
Special item ⁽¹⁾	—	—	—	(327,103,336)	—
Cumulative effect of change in accounting principle ⁽²⁾	—	—	—	—	—
CHANGES IN NET POSITION	<u>\$ 228,331,068</u>	<u>\$ 171,880,267</u>	<u>\$ 186,333,666</u>	<u>\$ (91,317,128)</u>	<u>\$ 160,082,133</u>

SOUTHERN NEVADA WATER AUTHORITY

Changes in Net Position (Unaudited)

Last Ten Fiscal Years

	Fiscal Year ended June 30,				
	<u>2018</u>			<u>2015</u>	
	<u>As Adjusted</u>	<u>2017</u>	<u>2016</u>	<u>As Adjusted</u>	<u>2014</u>
OPERATING REVENUES					
Wholesale delivery charges	\$ 134,480,919	\$ 130,115,594	\$ 125,054,059	\$ 121,100,263	\$ 121,045,154
Other revenues	7,265,588	7,258,539	51,094,426	5,298,453	5,508,753
Total operating revenues	141,746,507	137,374,133	176,148,485	126,398,716	126,553,907
OPERATING EXPENSES					
Salaries and benefits	73,687,225	55,987,034	56,252,596	49,951,688	50,216,887
Purchased energy	36,244,051	36,631,385	39,333,766	35,071,725	53,409,820
Operations and maintenance	58,603,873	73,839,764	39,349,790	42,471,373	34,483,860
Depreciation and amortization	109,196,145	97,423,714	90,824,289	75,774,807	75,853,379
Total operating expenses	277,731,294	263,881,897	225,760,441	203,269,593	213,963,946
OPERATING LOSS	(135,984,787)	(126,507,764)	(49,611,956)	(76,870,877)	(87,410,039)
NONOPERATING REVENUES (EXPENSES)					
Investment income	1,722,807	955,013	3,852,256	1,592,657	2,309,538
Interest expense (net of BAB subsidy)	(105,825,457)	(124,651,755)	(134,359,904)	(54,939,795)	(45,253,209)
Amortization of refunding costs	(4,092,768)	(3,737,630)	(4,581,254)	(3,492,409)	(2,921,604)
Bond issue and commercial paper costs	(2,018,097)	(5,569,998)	(4,378,509)	(3,299,596)	(3,314,554)
Amortization of bond issue costs, premiums, and discounts	20,063,488	18,002,315	10,008,610	4,868,091	3,780,080
Gain on sale of assets	288,832	18,935,983	198,903	94,294	44,132
Other	—	—	—	—	—
Total nonoperating expenses	(89,861,195)	(96,066,072)	(129,259,898)	(55,176,758)	(45,355,617)
LOSS BEFORE CAPITAL CONTRIBUTIONS	(225,845,982)	(222,573,836)	(178,871,854)	(132,047,635)	(132,765,656)
Capital contributions	381,402,434	332,146,883	300,691,026	281,927,406	237,839,036
Special item ⁽¹⁾	—	—	—	—	—
Cumulative effect of change in accounting principle ⁽²⁾	(8,376,204)	—	—	(62,506,887)	—
CHANGES IN NET POSITION	\$ 147,180,248	\$ 109,573,047	\$ 121,819,172	\$ 87,372,884	\$ 105,073,380

⁽¹⁾ In fiscal year 2020, the SNWA impaired its long-term In-state Groundwater Project.

⁽²⁾ In 2015, the SNWA recognized its share of the Las Vegas Valley Water District's (LVVWD) implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. In 2018, the SNWA recognized its share of the LVVWD's implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of these implementations, beginning net position was adjusted accordingly on the Statements of Revenues, Expenses, and Changes in Net Position in the respective years.

⁽³⁾ The SNWA adopted GASB Statement No. 87, *Leases*, for the fiscal year ended June 30, 2022 and retrospectively restated fiscal year ended June 30, 2021.

⁽⁴⁾ The SNWA adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the fiscal year ended June 30, 2023 and retrospectively restated fiscal year ended June 30, 2022.

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Information on Revenue Capacity

- Wholesale Delivery Charge By Purveyor Member
- Wholesale Delivery Charge Rates
- Regional Infrastructure Charge By Purveyor Member
- Regional Infrastructure Charge Rates
- Regional Connection Charge By Purveyor Member
- Regional Connection Charge Rates
- Regional Commodity Charge By Purveyor Member
- Regional Commodity Charge Rates

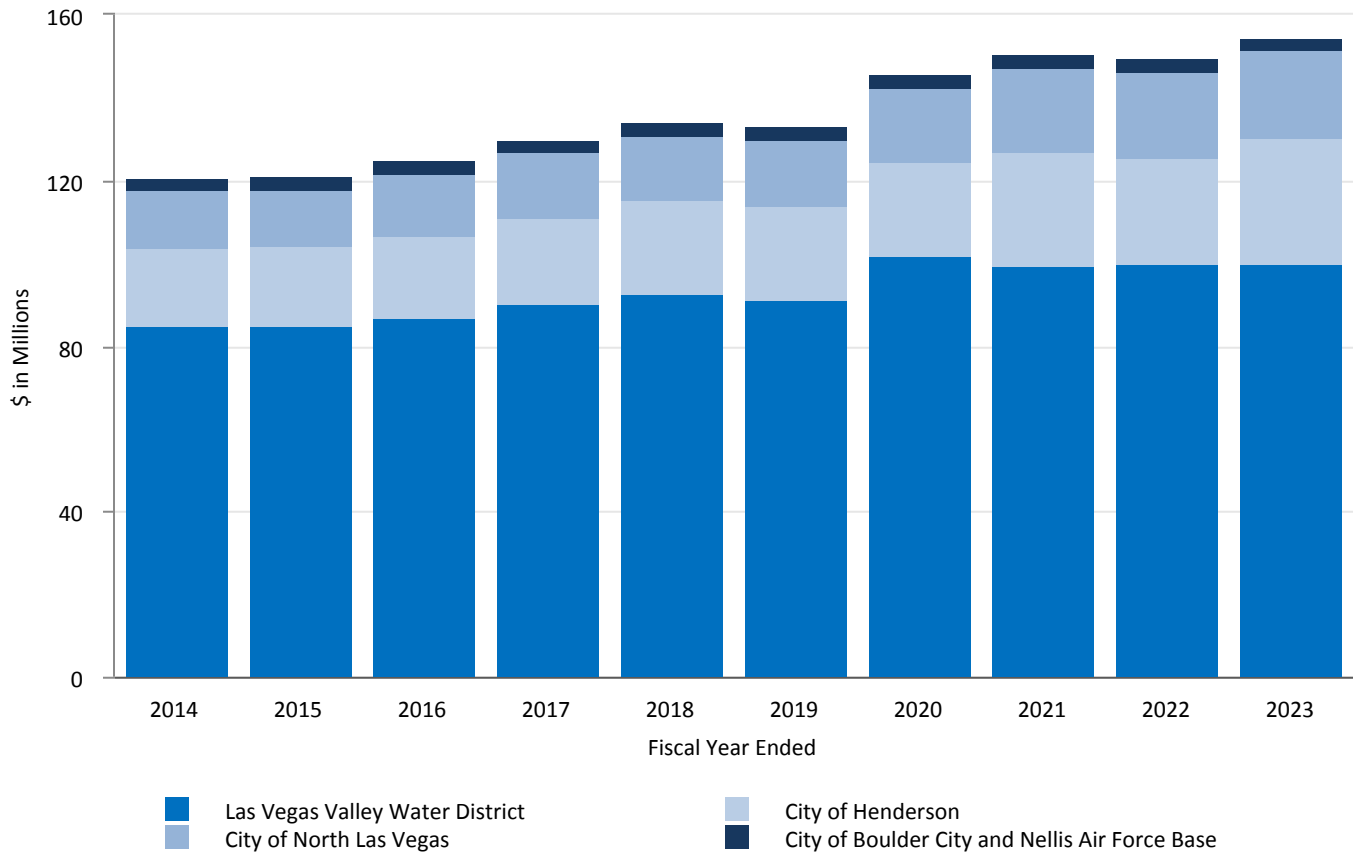
These schedules contain information to help the reader assess the SNWA's most significant local revenue sources.



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
2023	\$ 100,269,457	\$ 30,449,268	\$ 21,015,706	\$ 2,780,990	\$ 217,035	\$ 154,732,456
2022	100,276,524	25,458,288	20,739,115	3,053,833	231,074	149,758,833
2021	99,640,886	27,333,593	20,224,550	3,329,471	241,517	150,770,017
2020	101,755,016	22,773,729	18,272,798	2,955,140	235,849	145,992,532
2019	91,481,393	22,426,610	16,235,128	2,831,869	261,133	133,236,133
2018	92,809,534	22,800,183	15,591,044	3,000,262	279,896	134,480,919
2017	90,327,325	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	121,045,153

Wholesale Delivery Charge by Purveyor Member



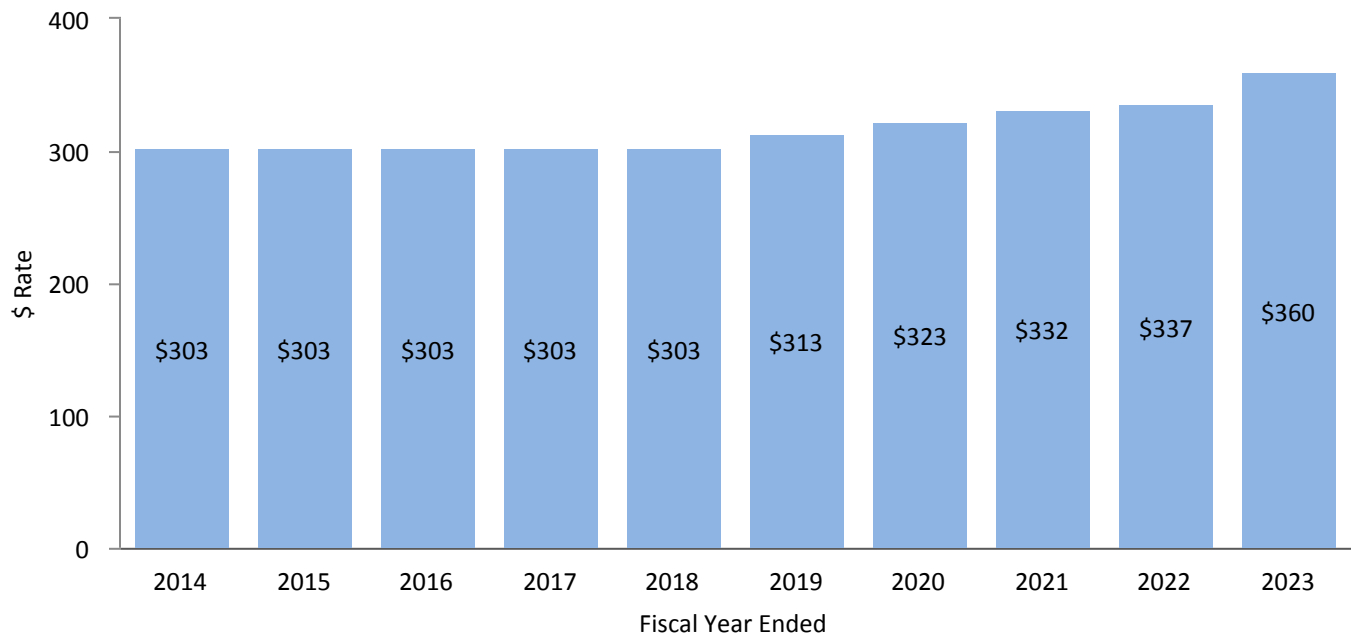
SOUTHERN NEVADA WATER AUTHORITY

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

Fiscal Year Ended June 30,	Rate per Acre-Foot ⁽¹⁾
2023	\$ 360
2022	337
2021	332
2020	323
2019	313
2018	303
2017	303
2016	303
2015	303
2014	303

⁽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 one percent of total Wholesale Delivery Charge revenues.

Wholesale Delivery Charge Rates



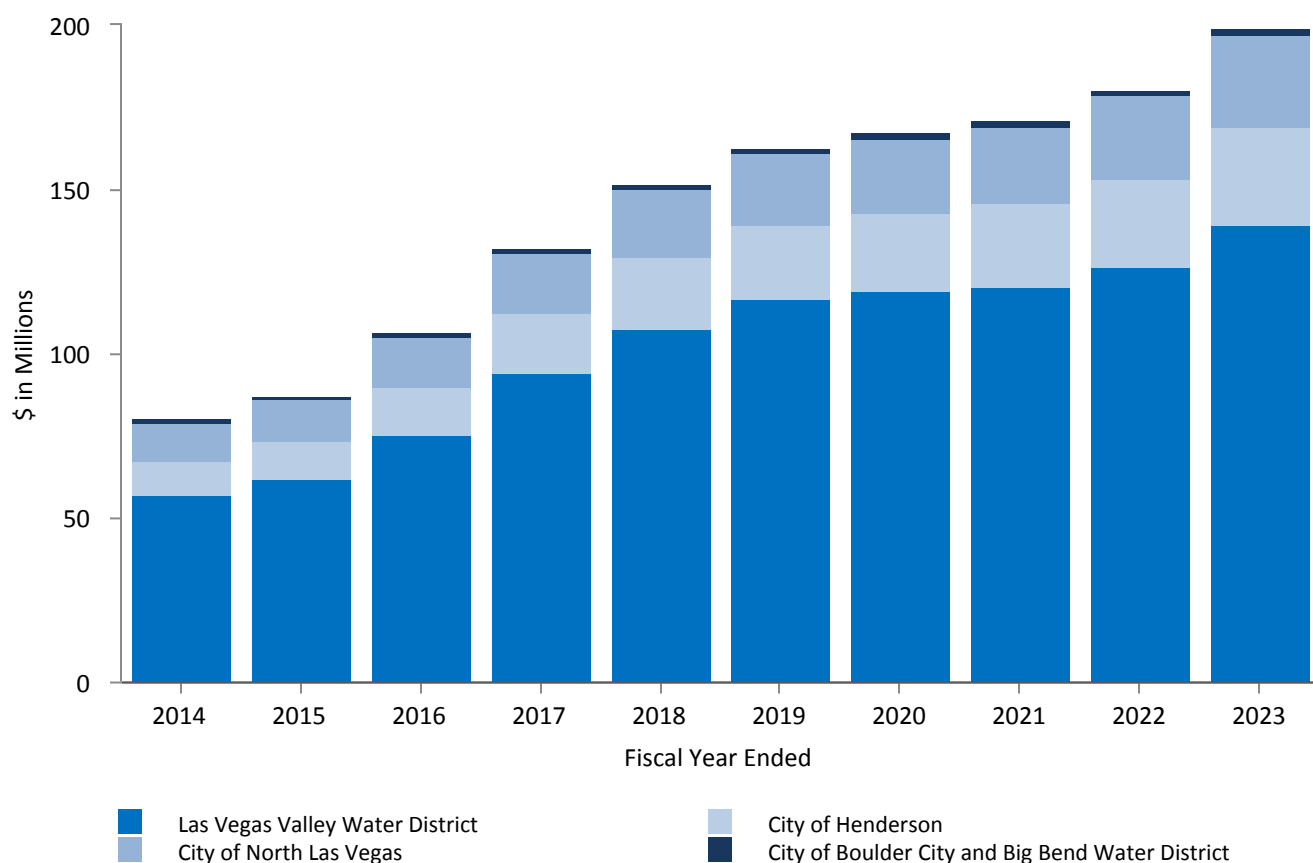
SOUTHERN NEVADA WATER AUTHORITY
Statistical Section (Unaudited)
Regional Infrastructure Charge By Purveyor Member
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Las Vegas Valley Water District	City of Henderson	City of North Las Vegas	City of Boulder City ⁽²⁾	Big Bend Water District ⁽²⁾	Total
2023	\$ 139,832,869	\$ 29,682,101	\$ 28,216,338	\$ 1,237,524	\$ 118,638	\$ 199,087,470
2022	127,007,226	26,887,851	25,214,704	1,237,524	131,184	180,478,489
2021	120,852,949	25,407,097	23,429,483	1,237,524	135,257	171,062,310
2020	119,485,885	23,885,163	22,755,838	1,237,524	138,826	167,503,236
2019	116,950,650	22,425,044	22,184,949	1,237,524	138,826	162,936,993
2018	108,194,046	21,487,256	20,921,390	1,237,524	67,625	151,907,841
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

⁽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 18 to the Basic Financial Statements.

⁽²⁾ These purveyor members pay fees in lieu of collecting the Regional Infrastructure Charges from their customers.

Regional Infrastructure Charge by Purveyor Member



SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Regional Infrastructure Charge Rates

Last Ten Fiscal Years

	Daily Charge Per Meter			
	<u>Jan 23 to</u> <u>Jun 23</u>	<u>Mar 22 to</u> <u>Dec 22</u>	<u>Jan 22 to</u> <u>Feb 22</u>	<u>Jan 18 to</u> <u>Dec 21</u>
<u>Residential Meters</u>				
5/8" & 3/4" meter sizes	\$ 0.5083	\$ 0.4737	\$ 0.4504	\$ 0.4306
1" meter size	1.3459	1.2543	1.1928	1.1403
1 1/2" meter size	2.6914	2.5083	2.3852	2.2803
2" meter size	4.3066	4.0136	3.8165	3.6487
3" meter size	8.6122	8.0263	7.6322	7.2966
4" meter size	13.4566	12.5411	11.9254	11.4010
6" meter size	26.9128	25.0818	23.8505	22.8016
8" meter size	48.0775	40.1305	38.1605	36.4823
10" and larger meter sizes	48.0775	44.8066	42.6070	40.7333
 <u>Non-Residential Meters</u>				
5/8" & 3/4" meter sizes	1.0610	0.9888	0.9402	0.8989
1" meter size	2.0097	1.8730	1.7810	1.7027
1 1/2" meter size	4.0192	3.7458	3.5619	3.4053
2" meter size	6.4306	5.9931	5.6989	5.4483
3" meter size	12.8613	11.9863	11.3978	10.8966
4" meter size	20.0961	18.7289	17.8095	17.0263
6" meter size	40.1919	37.4575	35.6187	34.0523
8" meter size	64.3066	59.9316	56.9895	54.4833
10" and larger meter sizes	92.4407	86.1516	81.9223	78.3196
 <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 1/2" 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

Last Ten Fiscal Years

	Daily Charge Per Meter				
	<u>Jan 17 to</u>	<u>Jan 16 to</u>	<u>Jan 15 to</u>	<u>Jan 14 to</u>	<u>Jul 13 to</u>
	<u>Dec 17</u>	<u>Dec 16</u>	<u>Dec 15</u>	<u>Dec 14</u>	<u>Dec 13</u>
<u>Residential Meters</u>					
5/8" & 3/4" meter sizes	\$ 0.3906	\$ 0.3196	\$ 0.2120	\$ 0.1880	\$ 0.1667
1" meter size	1.0646	0.9300	0.7263	0.6806	0.6403
1 1/2" meter size	2.1287	1.8599	1.4520	1.3610	1.2803
2" meter size	3.4063	2.9760	2.3233	2.1780	2.0486
3" meter size	6.8120	5.9510	4.6460	4.3553	4.0966
4" meter size	10.6433	9.2986	7.2596	6.8050	6.4010
6" meter size	21.2863	18.5973	14.5190	13.6096	12.8016
8" meter size	34.0580	29.7550	23.2296	21.7753	20.4823
10" and larger meter sizes	37.2487	31.8850	23.2296	21.7753	20.4823
 <u>Non-Residential Meters</u>					
5/8" & 3/4" meter sizes	0.8589	0.7879	0.6803	0.6563	0.6350
1" meter size	1.6270	1.4923	1.2886	1.2430	1.2026
1 1/2" meter size	3.2537	2.9849	2.5770	2.4860	2.4053
2" meter size	5.2059	4.7756	4.1230	3.9776	3.8483
3" meter size	10.4120	9.5510	8.2460	7.9553	7.6966
4" meter size	16.2686	14.9239	12.8850	12.4303	12.0263
6" meter size	32.5370	29.8480	25.7696	24.8603	24.0523
8" meter size	52.0590	47.7560	41.2306	39.7763	38.4833
10" and larger meter sizes	74.8350	68.6490	59.2690	57.1783	55.3196
 <u>Non-Residential Fire Meters</u>					
5/8" & 3/4" meter sizes	0.1113	0.1113	0.1113	0.1113	0.1113
1" meter size	0.2106	0.2106	0.2106	0.2106	0.2106
1 1/2" meter size	0.4210	0.4210	0.4210	0.4210	0.4210
2" meter size	0.6736	0.6736	0.6736	0.6736	0.6736
3" meter size	1.3470	1.3470	1.3470	1.3470	1.3470
4" meter size	2.1046	2.1046	2.1046	2.1046	2.1046
6" meter size	4.2093	4.2093	4.2093	4.2093	4.2093
8" meter size	6.7346	6.7346	6.7346	6.7346	6.7346
10" and larger meter sizes	9.6810	9.6810	9.6810	9.6810	9.6810

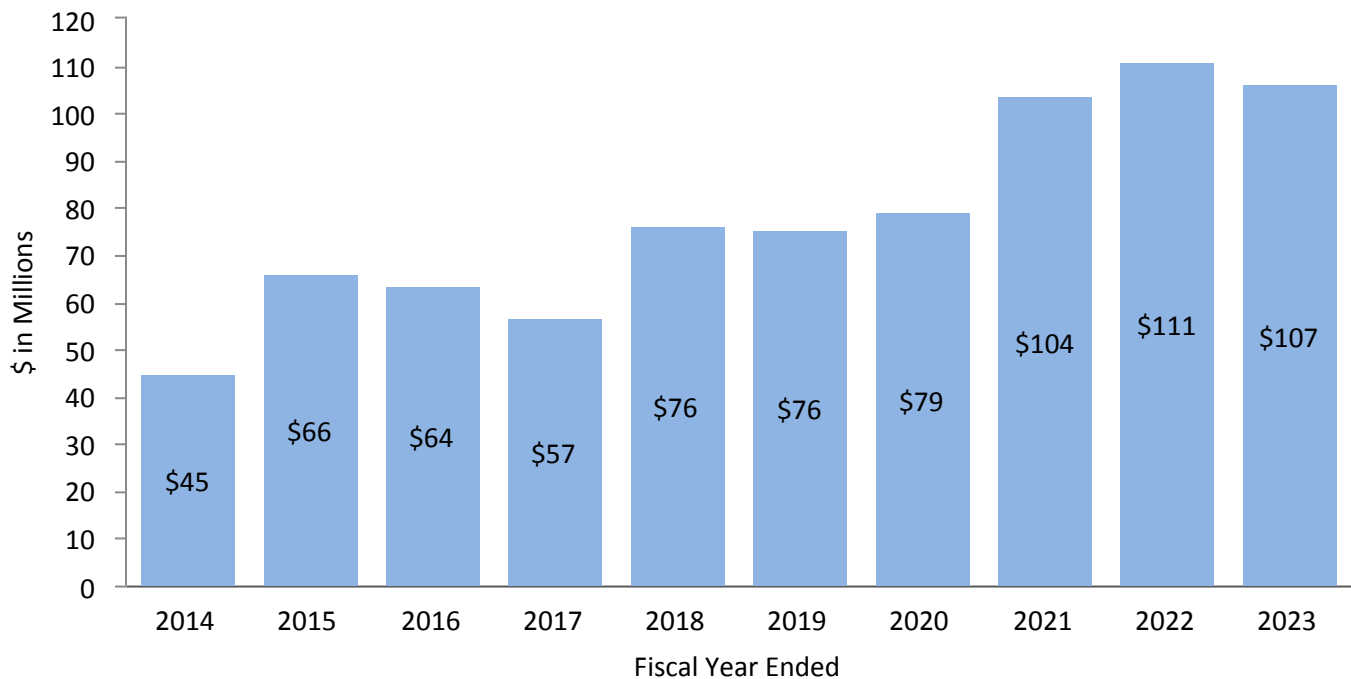
SOUTHERN NEVADA WATER AUTHORITY
Statistical Section (Unaudited)
Regional Connection Charge by Purveyor Member ⁽¹⁾
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Las Vegas Valley Water District	City of Henderson	City of North Las Vegas	Pending Refund Contingency ⁽²⁾	Total
2023	\$ 59,702,206	\$ 30,262,096	\$ 16,557,970	\$ —	\$ 106,522,272
2022	54,939,284	36,824,652	19,346,178	—	111,110,114
2021	64,198,470	19,883,510	19,966,119	—	104,048,099
2020	44,514,203	11,685,210	23,119,185	—	79,318,598
2019	46,474,600	19,483,421	9,609,380	—	75,567,401
2018	46,415,820	17,395,310	12,532,130	—	76,343,260
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

⁽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 18 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 pending refund contingency was discontinued in fiscal year 2016.

Regional Connection Charges



SOUTHERN NEVADA WATER AUTHORITY

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

Residential (8 or fewer units per acre ⁽¹⁾) (Plans approved for construction and fees paid)		
Meter Size	Charge	
	Mar 23 to Jun 23	Jul 13 to Feb 22
5/8"	\$ 6,279	\$ 5,596
3/4"	6,279	5,596
1"	12,389	11,042
1 1/2"	24,713	22,026
2"	39,552	35,251

⁽¹⁾ "Units per Acre means "Gross Acres," 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) (Plans approved for construction and fees paid)		
Meter Size	Charge	
	Mar 23 to Jun 23	Jul 13 to Feb 22
5/8"	\$ 6,279	\$ 5,596
3/4"	6,279	5,596
1"	12,389	11,042
1 1/2"	24,713	22,026
2"	82,843	73,835
3"	306,695	273,347
4"	455,209	405,712
6"	See table for "Rates Based on Factors other than Meter Size"	
8"		
10"		

Industrial Laundries (Plans approved for construction and fees paid)		
Meter Size	Charge	
	Mar 23 to Jun 23	Jul 13 to Feb 22
5/8"	\$ 99,009	\$ 88,243
3/4"	99,009	88,243
1"	195,259	174,028
1 1/2"	390,557	348,090
2"	624,864	556,920
3"	1,249,730	1,113,841
4"	1,952,705	1,740,379
6"	3,905,385	3,480,735
8"	6,248,620	5,569,180
10"	8,982,399	8,005,703

SOUTHERN NEVADA WATER AUTHORITY

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

Rates Based on Factors other than Meter Size (Plans approved for construction and fees paid)			
Customer Class	Connection Charge Based On	Charge Per Unit	
		Mar 23 to Jun 23	Jul 13 to Feb 22
Residential - individually metered more than 8 units per acre ⁽¹⁾ & mobile homes	Dwelling Unit	\$ 4,384	\$ 3,907
Residential - master metered more than 8 units per acre ⁽¹⁾ & mobile homes ⁽²⁾	Dwelling Unit	4,384	3,907
Non-residential, 6" and larger - excluding hotels, motels, golf courses, and laundries ⁽³⁾	Annual Usage (1,000 Gal.)	37.64	33.55
Hotels & motels	Hotel Room	3,584	3,194
Golf courses (irrigated acres) ⁽⁴⁾	Acre	58,838	52,440
RV parks	Space	1,779	1,586

⁽¹⁾ "Units per Acre" means "Gross Acres," 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.

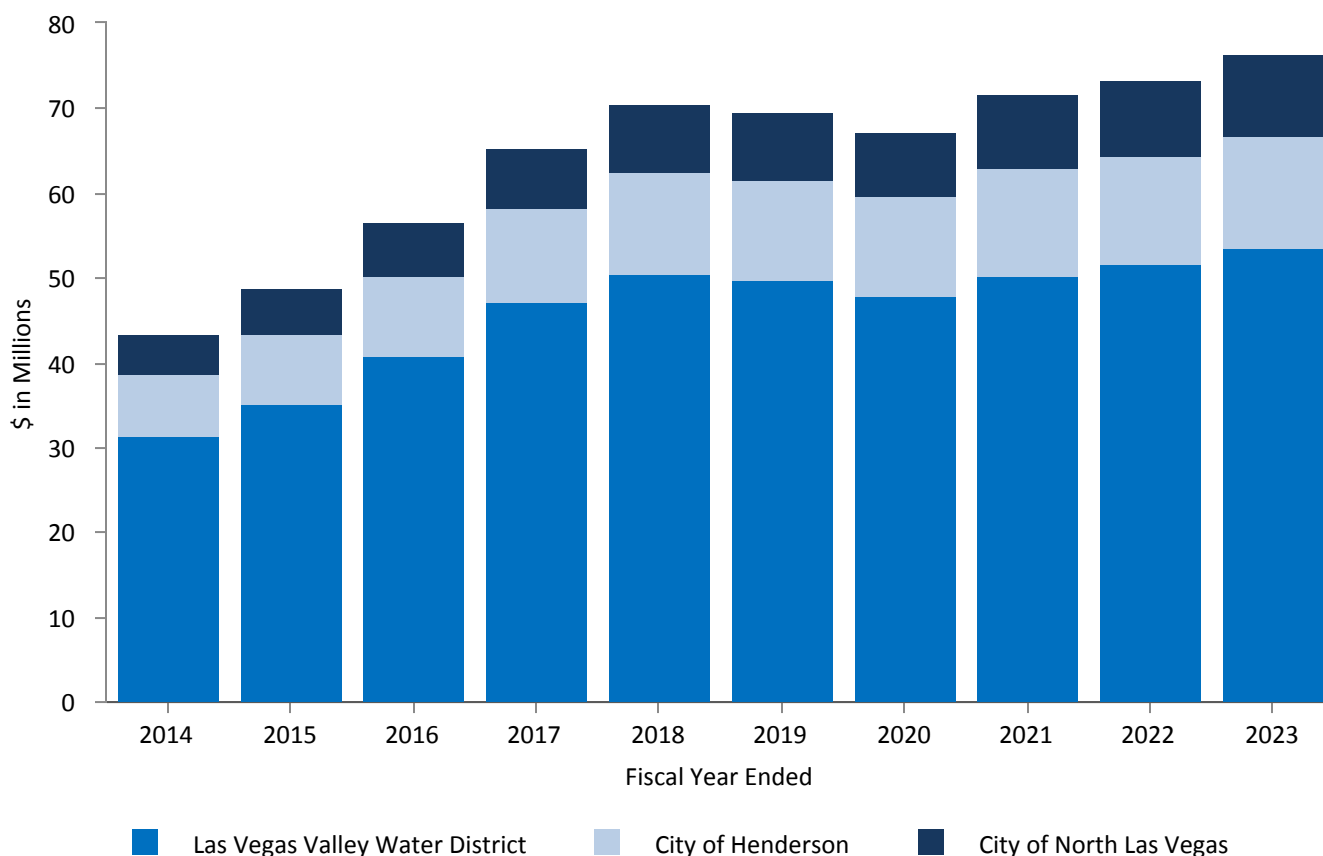
⁽⁴⁾ The SNWA regional connection charge is based on the potable irrigated acres of the golf course, which includes all playing areas, such as fairways, roughs, lakes, ponds, golf cart paths, sand traps, etc. The potable irrigated acres for this calculation does not include non-playing areas, although minimal potable irrigation may be required. The applicant will provide a development plan with each type of area defined with its acreage identified for LVVWD review and approval.

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
2023	\$ 53,613,377	\$ 13,149,394	\$ 9,645,322	\$ 76,408,093
2022	51,682,436	12,731,741	8,963,982	73,378,159
2021	50,212,998	12,759,121	8,781,153	71,753,272
2020	48,015,245	11,679,233	7,673,357	67,367,835
2019	49,800,992	11,814,929	7,985,365	69,601,286
2018	50,547,095	12,016,747	7,988,733	70,552,575
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	35,116,226	8,264,405	5,505,351	48,885,982
2014	31,340,928	7,329,885	4,755,148	43,425,961

⁽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 18 to the Basic Financial Statements.

Regional Commodity Charge by Purveyor Member



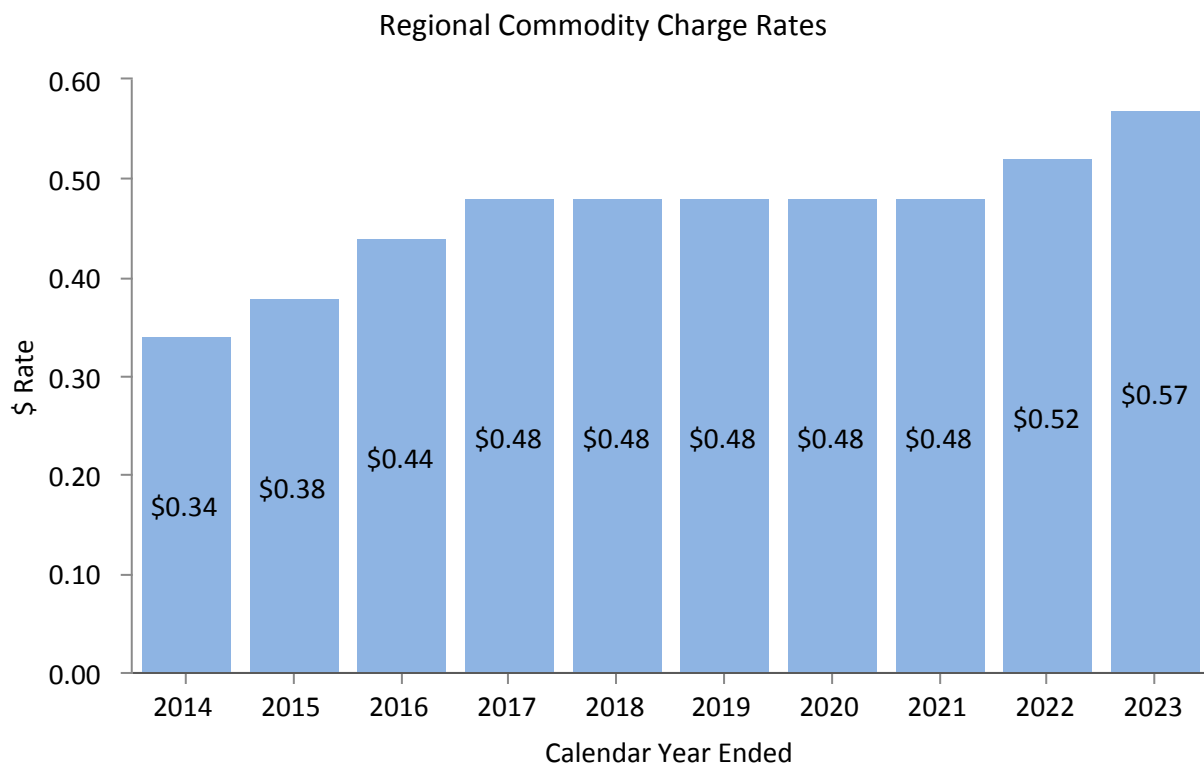
SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Regional Commodity Charge Rates

Last Ten Calendar Years

Calendar Year	Rate (per 1,000 gallons)
2023	\$ 0.57
2022	0.52
2021	0.48
2020	0.48
2019	0.48
2018	0.48
2017	0.48
2016	0.44
2015	0.38
2014	0.34



Information on Debt Capacity

- Ratios of Outstanding Debt
- Ratios of General Bonded Debt
- Information About Debt Limitations and Pledged Revenue Coverage
- Pledged Revenue Coverage

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

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



SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Ratios of Outstanding Debt ⁽¹⁾

Last Ten Fiscal Years

In Millions

Fiscal Year Ended June 30	Bonds Payable ⁽²⁾	Notes Payable	Leases	Subscriptions	Total Debt ⁽³⁾	Debt as a Percent of Personal Income ⁽⁴⁾	Debt Per Capita In Dollars ⁽⁵⁾
2023	\$ 3,064.7	\$ —	\$ 5.3	\$ 1.8	\$ 3,071.8	2.3%	\$ 1,356.2
2022	3,293.7	—	5.3	2.2	3,301.1	2.4	1,457.4
2021	3,137.5	0.3	—	—	3,137.8	2.6	1,386.5
2020	3,074.3	1.0	—	—	3,075.3	2.6	1,336.5
2019	3,144.3	2.5	—	—	3,146.8	2.9	1,397.2
2018	3,278.5	3.9	—	—	3,282.4	3.3	1,484.1
2017	3,412.3	5.3	—	—	3,417.6	3.6	1,569.4
2016	3,521.8	6.7	—	—	3,528.5	3.8	1,651.8
2015	3,088.1	8.0	—	—	3,096.1	3.7	1,488.5
2014	3,087.7	9.2	—	—	3,096.9	3.9	1,521.1

⁽¹⁾ Details of the SNWA's outstanding long-term and short-term debt can be found in Note 17 to the Basic Financial Statements and in this Statistical Section.

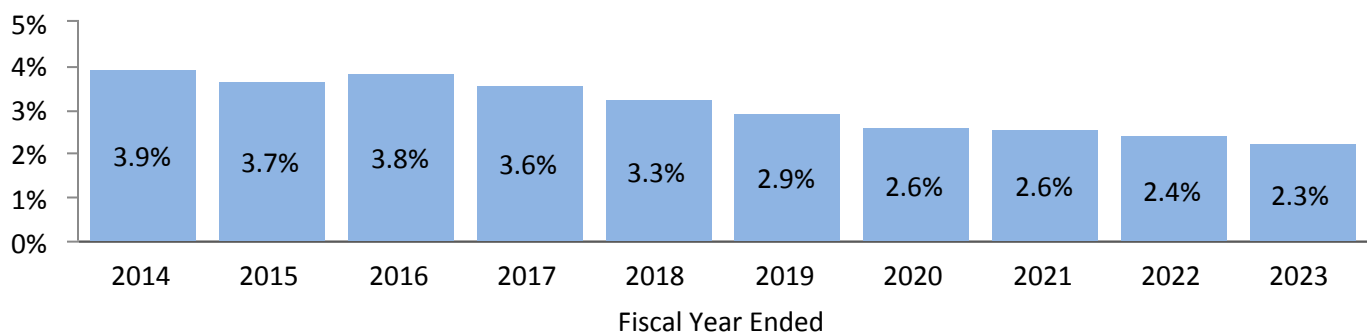
⁽²⁾ Net of related premiums and discounts as required per GASB Comprehensive Implementation Guide 9.24.6.

⁽³⁾ All SNWA bond and note debt is general obligation debt issued on behalf of the SNWA by the State of Nevada, LVVWD, and Clark County, additionally secured by pledged revenue. For more information, see Pledged Revenue Coverage information in this Statistical Section. Total debt also includes obligations related to leases and subscription-based information technology arrangements.

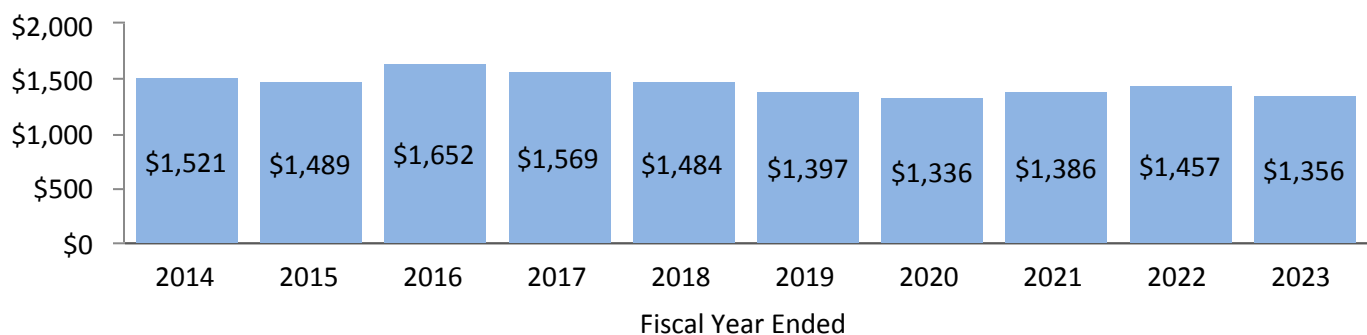
⁽⁴⁾ Total debt divided by personal income in Clark County, which is indicated in the demographic and economic information table in this Statistical Section.

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

Debt as Percentage of Personal Income



Debt Per Capita



SOUTHERN NEVADA WATER AUTHORITY

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

In Millions

Fiscal Year Ended June 30	G.O. Debt Additionally Secured with SNWA Pledged Revenues	Debt Secured with Sales Tax Pledge ⁽²⁾	Total General Bonded Debt	Following Fiscal Year's Principal Payments ⁽³⁾	Net General Bonded Debt	Total Debt as Percent of Annual Applied Revenues ^{(4) (5)}	Annual Debt Service as Percent of Annual Applied Revenues ^{(4) (6)}
2023	\$ 3,064.7	\$ —	\$ 3,064.7	\$ (165.2)	\$ 2,899.5	454.2%	49.0%
2022	3,293.2	0.5	3,293.7	(157.9)	3,135.8	513.8	46.2
2021	3,136.9	0.9	3,137.8	(146.9)	2,990.9	520.4	46.1
2020	3,073.9	1.4	3,075.3	(131.1)	2,944.2	554.3	55.3
2019	3,145.0	1.8	3,146.8	(121.6)	3,025.2	587.4	50.6
2018	3,280.1	2.3	3,282.4	(116.5)	3,165.9	630.1	52.3
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

⁽¹⁾ Details of the SNWA's long-term outstanding debt can be found in Note 17 to the Basic Financial Statements and in this Statistical Section. As described in Note 1, SNWA has only seven customers, making per-customer ratios meaningless. Therefore, alternate ratios have been provided.

⁽²⁾ The SNWA 2008 CREBs are not general obligations and are the only SNWA debt with a pledge against the sales tax revenues. The SNWA 2008 CREBs were paid in full during fiscal year 2023.

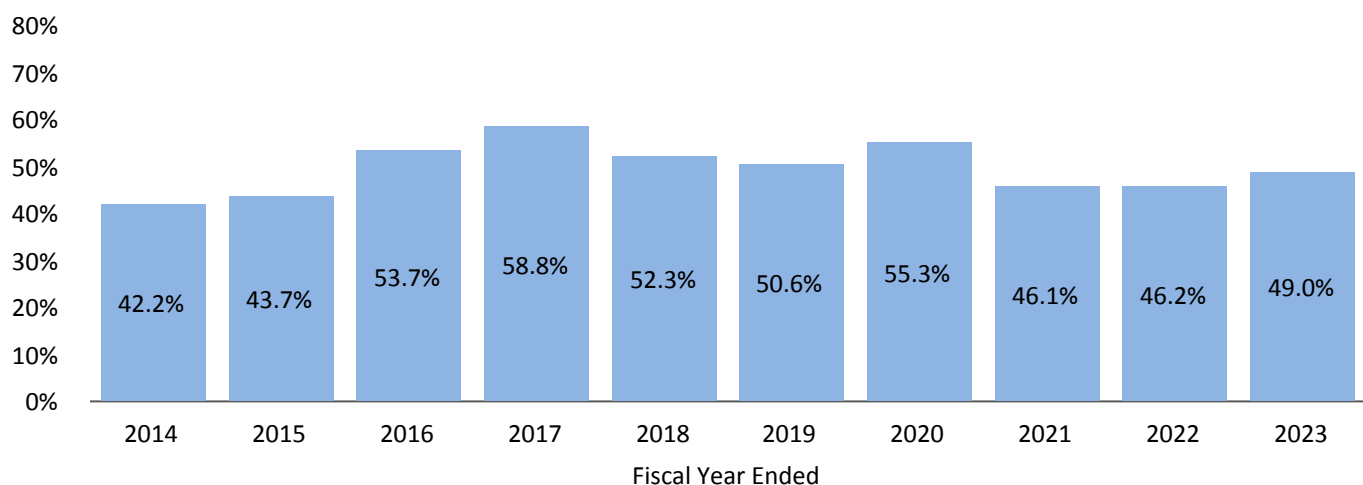
⁽³⁾ Principal portion of debt service payments for the following fiscal year, excluding commercial paper.

⁽⁴⁾ The SNWA cannot levy property taxes. Although the entities issuing debt on its behalf can, the SNWA does not expect that to occur. Therefore, alternate ratios have been provided.

⁽⁵⁾ 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 Surcharge, and Regional Infrastructure Charge. Regional Connection Charges are adjusted by a refund contingency for fiscal years 2014 to 2015.

⁽⁶⁾ Total annual debt service (principal and interest) divided into total applied revenues as defined in ⁽⁵⁾ above.

Annual Debt Service as Percent of Annual Applied Revenues



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
2023	\$ 95,233,667	\$ —	—
2022	89,300,519	460,000	194.1
2021	71,202,531	920,000	77.4
2020	65,457,762	1,380,000	47.4
2019	67,970,379	1,840,000	36.9
2018	63,601,130	2,300,000	27.7
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

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

⁽²⁾ The only SNWA debt with a sales tax pledge are the SNWA 2008 CREB. All other issues are general obligation bonds with additional security of SNWA pledged revenue. During fiscal year 2023, the SNWA 2008 CREB was paid in full.

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) (6)}	Net Available Revenue	Add Beginning Unrestricted Funds ⁽³⁾	Net Available for Debt Service	Total Debt Service ⁽⁴⁾	Debt Coverage Ratio ⁽⁵⁾
2023	\$ 661,732,125	\$ 231,908,209	\$ 429,823,916	\$ 936,581,669	\$ 1,366,405,585	\$ 312,945,316	4.37
2022	583,964,333	197,865,394	386,098,939	888,219,468	1,274,318,407	281,716,016	4.52
2021	585,101,795	179,836,948	405,264,847	778,382,776	1,183,647,623	264,827,855	4.47
2020	588,680,030	178,900,874	409,779,156	668,048,176	1,077,827,332	293,510,048	3.67
2019	559,631,750	173,194,350	386,437,400	561,768,492	948,205,892	260,852,199	3.64
2018	525,797,942	168,535,148	357,262,794	480,331,301	837,594,095	262,918,858	3.19
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

⁽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 charges and reliability surcharges), 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, salaries and benefits, 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 interest paid on the commercial paper notes.

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

⁽⁶⁾ Fiscal year 2021 operating expenses were restated in fiscal year 2022 to reflect the impact of the implementation of GASB Statement No. 87, *Leases*. Additionally, fiscal year 2022 operating expenses were restated in fiscal year 2023 to reflect the impact of the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

Demographic and Economic Information

- Demographic and Economic Information in Clark County, Nevada
- Ten Largest Property-Ownning Taxpayers
- Employment by Industry Sector
- Building Permits Issued in Clark County, Nevada

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



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⁾	Weighted Enrollment/School Enrollment ^(5,6,7,8)	Total Labor Force Thousands ⁽⁹⁾	U.S. Unemployment Rate ⁽¹⁰⁾
2022	2,338,127	N/A	\$ 62,867	300,630	1,130.2	3.6%
2021	2,320,551	\$ 58,276	54,990	301,474	1,100.3	5.3
2020	2,265,461	53,562	54,879	314,757	1,104.4	8.1
2019	2,293,391	51,012	51,313	317,306	1,131.6	3.7
2018	2,251,175	47,814	48,977	319,311	1,094.0	3.9
2017	2,193,818	45,974	47,610	309,965	1,069.5	4.4
2016	2,166,181	44,318	43,950	307,974	1,046.1	4.9
2015	2,118,353	43,421	43,603	306,832	1,034.0	5.3
2014	2,069,450	40,967	51,214	314,598	1,015.1	6.2
2013	2,031,723	38,792	51,057	311,218	1,004.3	7.4

⁽¹⁾ All data is subject to revision. The abbreviation "N/A" means not available.

⁽²⁾ Source: Nevada State Demographer's Office (2011-2022 estimates as of July 1). Populations are subject to periodic revisions.

⁽³⁾ Source: U.S. Department of Commerce, Bureau of Economic Analysis.

⁽⁴⁾ Source: The Nielsen Company, *Site Reports*, 2010-2017; and Claritas, 2018-2021 Environics Analytics (EA).

⁽⁵⁾ Source: Clark County School District.

⁽⁶⁾ Except as noted in footnote 7 below, represent 4th week enrollment.

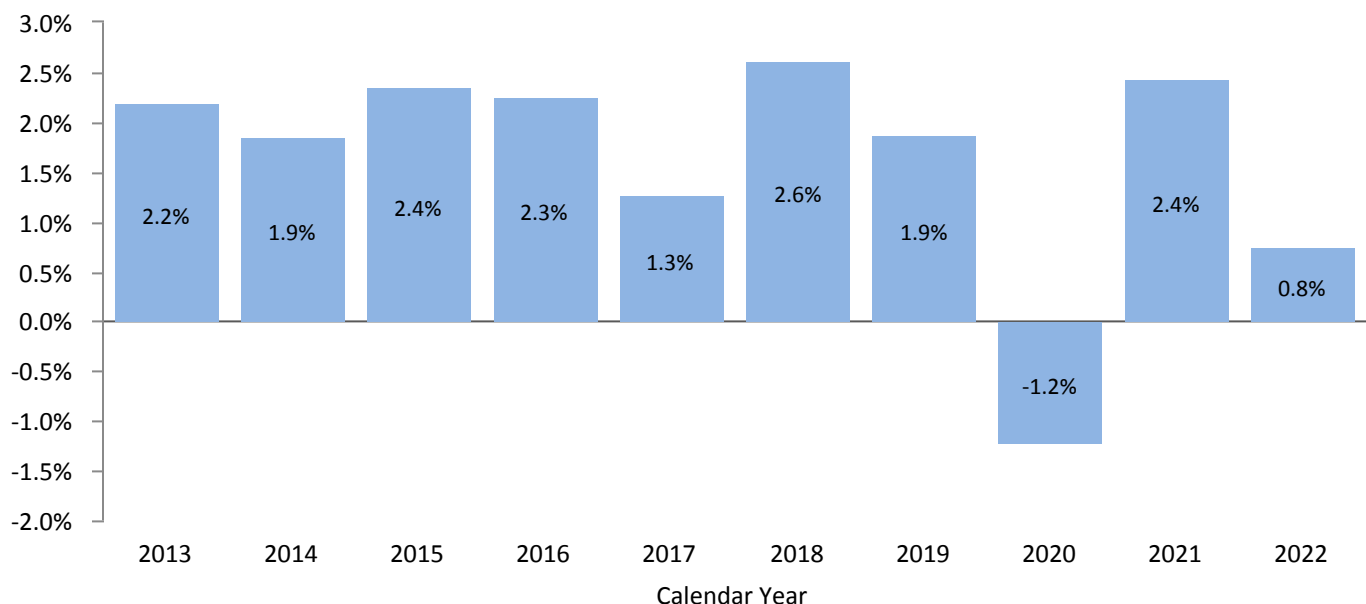
⁽⁷⁾ Senate Bill 508, passed in the 2015 legislative session, changed the Distributive School Account reporting from a single annual official count day to a quarterly Average Daily Enrollment ("ADE"). The annual ADE reporting days are October 1, January 1, April 1, and July 1. ADE represents the District's total number of pupils enrolled in and scheduled to attend school divided by the number of days school is in session for that quarter. School year 2016 is the first year of the legislatively mandated change. School year 2016 is the Nevada Department of Education audited enrollment.

⁽⁸⁾ Values shown in years 2011 through 2014 represent student population. Years 2015 through 2022 represent weighted enrollment (Funded).

⁽⁹⁾ Source: State of Nevada - Department of Employment, Training & Rehabilitation.

⁽¹⁰⁾ Source: Bureau of Labor Statistics (annual averages).

Change in Population From Prior Year



SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

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

Fiscal Year Ended June 30, 2023

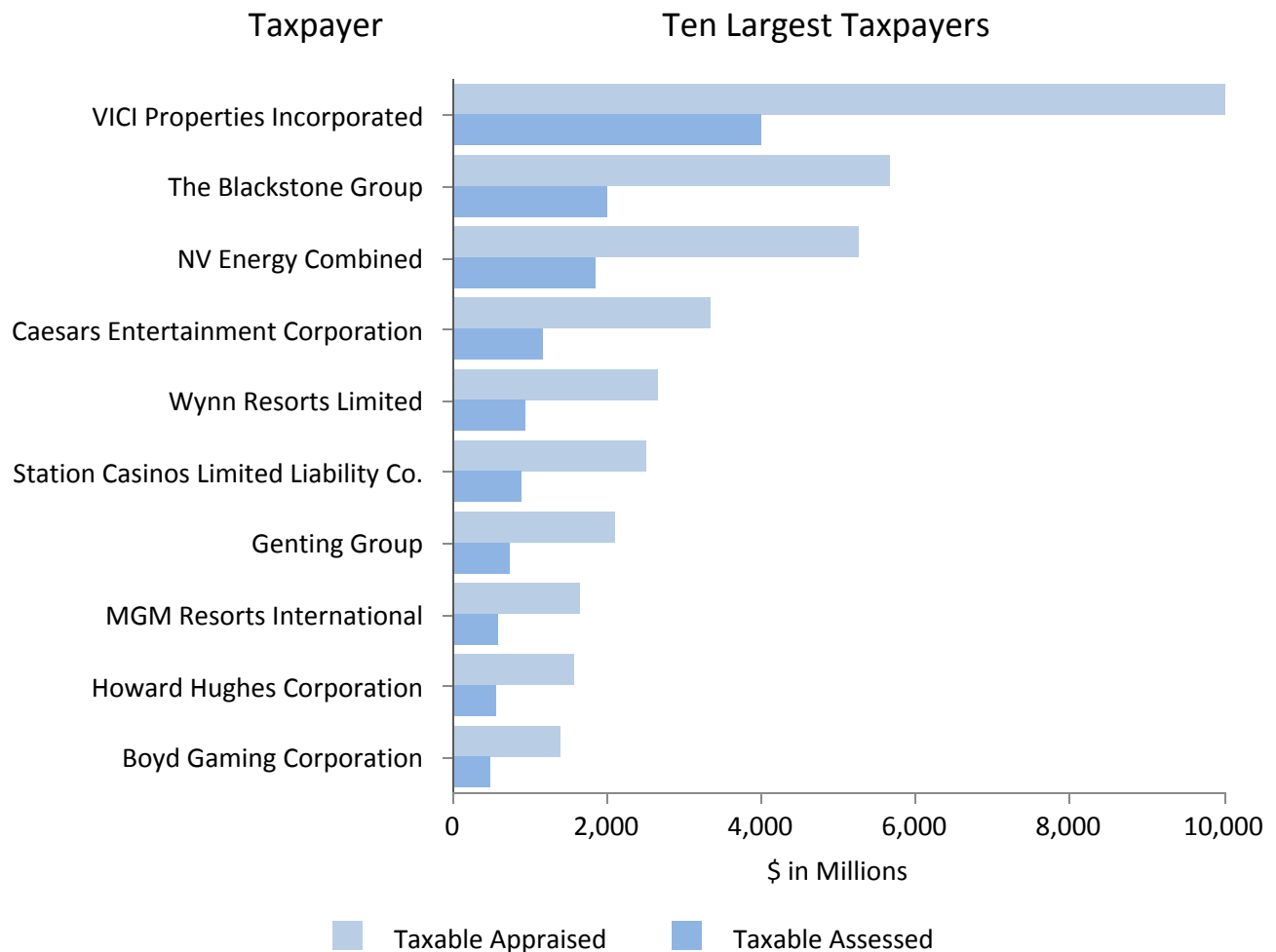
	Taxpayer ⁽²⁾	Taxable Assessed	Taxable Appraised
1.	VICI Properties Incorporated ³	\$ 3,996,752,110	\$ 11,419,291,743
2.	The Blackstone Group	1,988,609,070	5,681,740,200
3.	NV Energy Combined	1,846,062,649	5,274,464,711
4.	Caesars Entertainment Corporation	1,169,684,990	3,341,957,114
5.	Wynn Resorts Limited	926,978,368	2,648,509,623
6.	Station Casinos Limited Liability Company	875,632,786	2,501,807,960
7.	Genting Group	734,901,496	2,099,718,560
8.	MGM Resorts International	578,563,575	1,653,038,786
9.	Howard Hughes Corporation	547,573,792	1,564,496,549
10.	Boyd Gaming Corporation	489,173,376	1,397,638,217

Source: Nevada Department of Taxation, *Ten Highest Assessed Taxpayers Statewide and All Counties. 2021-2023 Secured Roll/2021-2022 Unsecured Roll.*

⁽¹⁾ Includes the five incorporated cities.

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

⁽³⁾ VICI Properties purchased the following properties from MGM Resorts International this fiscal year: Excalibur Hotel & Casino, Luxor Hotel & Casino, NewYork-NewYork Hotel & Casino, Park MGM Las Vegas, and The Mirage.



SOUTHERN NEVADA WATER AUTHORITY

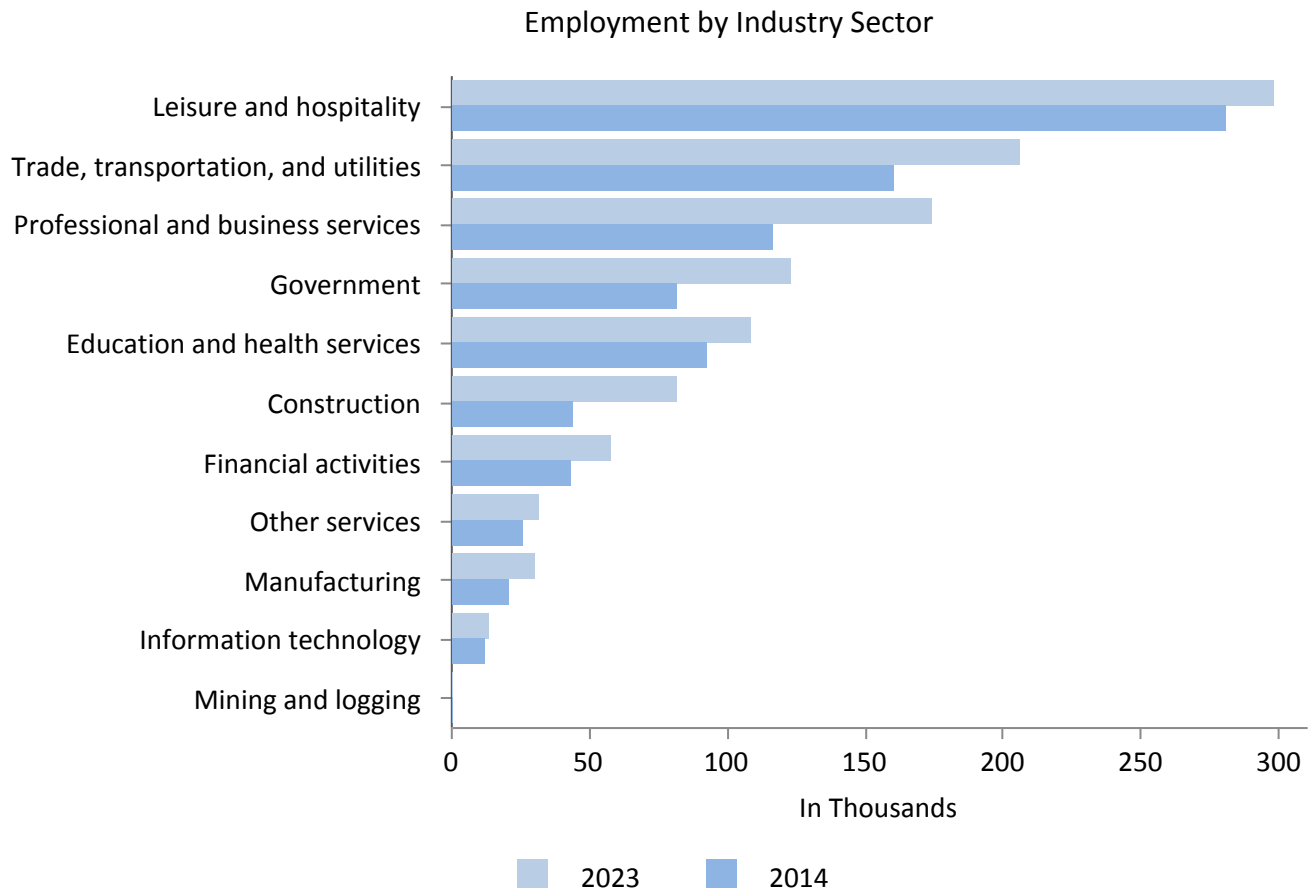
Statistical Section (Unaudited)

Employment by Industry Sector in the Las Vegas Metropolitan Area ⁽¹⁾

Current Fiscal Year and Nine Fiscal Years Ago

Industry Sector	<u>June 30, 2023</u>		<u>June 30, 2014</u>	
	Employees (In Thousands)		Employees (In Thousands)	
Leisure and hospitality	298.6	26.5 %	281.3	31.8 %
Trade, transportation, and utilities	206.1	18.3	160.7	18.2
Professional and business services	173.9	15.4	116.9	13.3
Education and health services	108.7	9.6	92.6	10.5
Government	123.7	11.0	82.0	9.3
Construction	82.4	7.3	44.5	5.1
Financial activities	58.2	5.2	43.4	4.9
Other services	32.1	2.8	25.9	2.9
Manufacturing	30.3	2.7	21.1	2.4
Information technology	13.7	1.2	12.2	1.4
Mining and logging	0.4	—	0.4	—
Total nonfarm payrolls	1,128.1	100.0 %	881.0	99.8 %

⁽¹⁾ Source: U.S. Bureau of Labor Statistics for the metropolitan statistical area of Las Vegas-Henderson-Paradise, Nevada. In the past, the Nevada Department of Employment, Training, and Rehabilitation (DETR) compiled a list of the top employers in Clark County. In fiscal year 2019, DETR stopped providing this information and the top employers list is not available from another reliable source. Therefore, the information above is intended to provide the reader with alternate data to consider customer concentration risk.

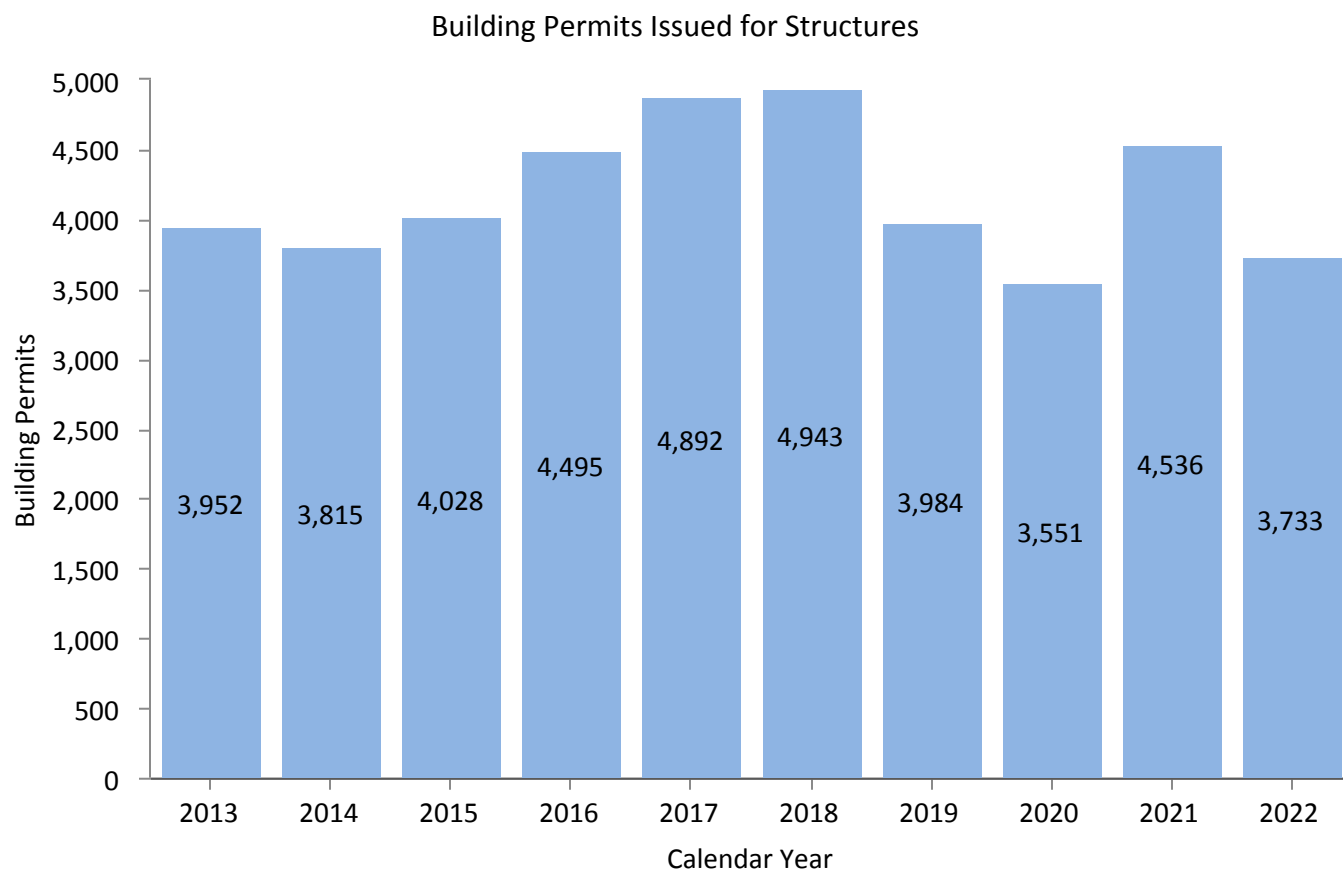


SOUTHERN NEVADA WATER AUTHORITY
Statistical Section (Unaudited)
Building Permits Issued in Clark County, Nevada
Last Ten Calendar Year

Building Permit Type	Calendar Year Ended ⁽¹⁾									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Single family residential	3,083	3,981	3,044	3,189	4,074	4,503	3,956	3,550	3,375	3,515
Townhouses	195	122	100	342	396	24	79	26	39	50
Condominiums	80	139	94	69	83	65	13	17	14	28
Duplex/apartment buildings	74	24	78	89	104	65	133	162	122	104
Hotels and motels	6	2	1	6	7	6	4	2	4	—
Guest houses	63	41	32	28	28	47	60	64	57	36
Buildings	232	227	202	261	251	182	250	207	204	219
Total structure permits ⁽²⁾	<u>3,733</u>	<u>4,536</u>	<u>3,551</u>	<u>3,984</u>	<u>4,943</u>	<u>4,892</u>	<u>4,495</u>	<u>4,028</u>	<u>3,815</u>	<u>3,952</u>

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

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



Operating Information

- Water Delivered by the Southern Nevada Water System
- Authorized Full-Time Equivalent Employees
- Capital Expenditures
- Capital Asset Statistics

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

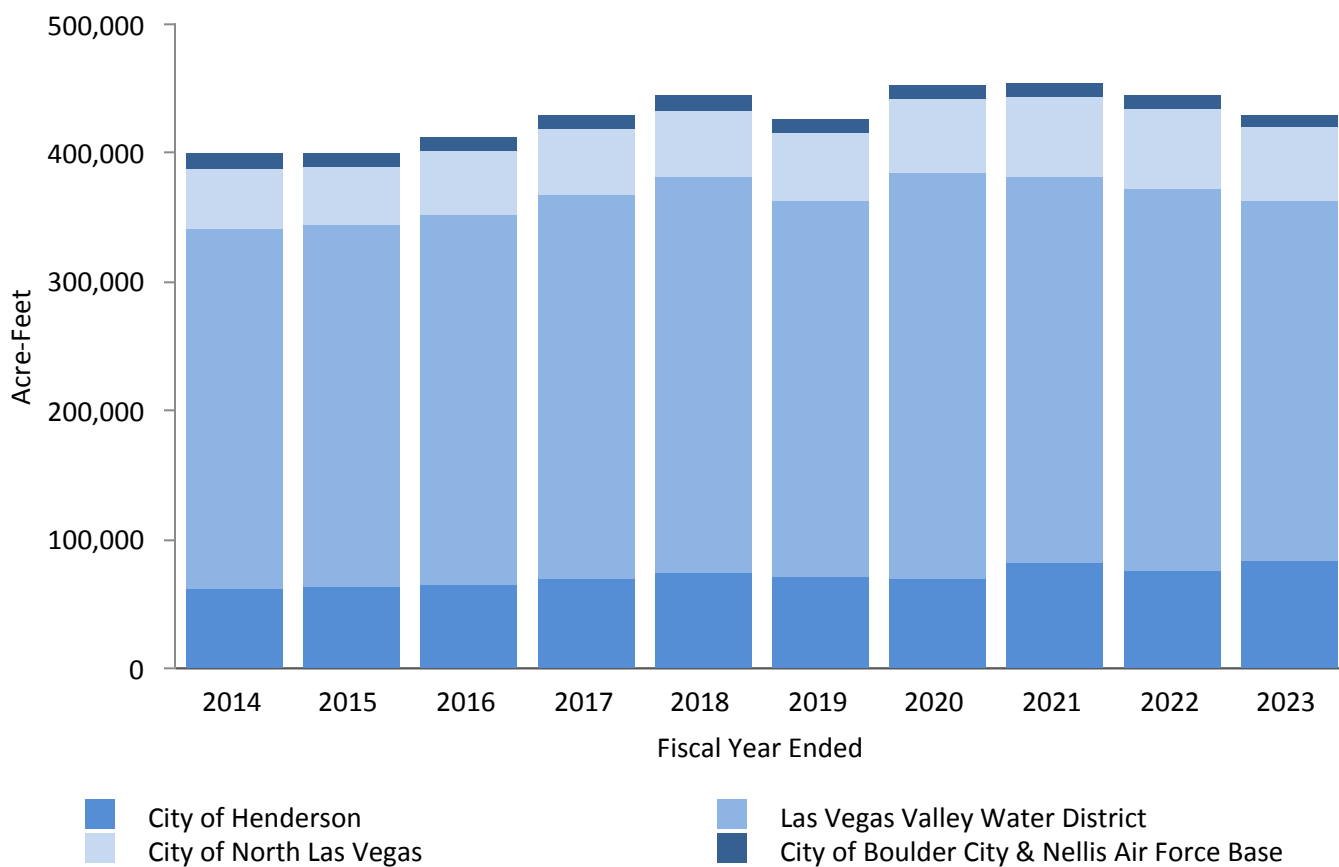


SOUTHERN NEVADA WATER AUTHORITY
Statistical Section (Unaudited)
Water Delivered by the Southern Nevada Water System
Last Ten Fiscal Years

Fiscal Year Ended June 30	City of Boulder City	City of Henderson	Las Vegas Valley Water District	Nellis Air Force Base	City of North Las Vegas	Total Delivered
2023	8,423	84,581	278,526	919	58,377	430,825
2022	9,894	75,544	297,556	982	61,540	445,516
2021	10,921	82,330	300,123	1,029	60,917	455,320
2020	10,001	70,507	315,031	1,004	56,572	453,116
2019	9,848	71,651	292,273	1,118	51,869	426,759
2018	10,731	75,248	306,302	1,202	51,456	444,939
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	400,682
2014	10,688	61,890	280,417	1,097	46,459	400,551

Source: The SNWA's Operations Department
Water measured in acre-feet

Annual Water Delivered by Purveyor Member



SOUTHERN NEVADA WATER AUTHORITY
Statistical Section (Unaudited)
Authorized Full-Time Equivalent Employees by Department ⁽¹⁾
Last Ten Fiscal Years

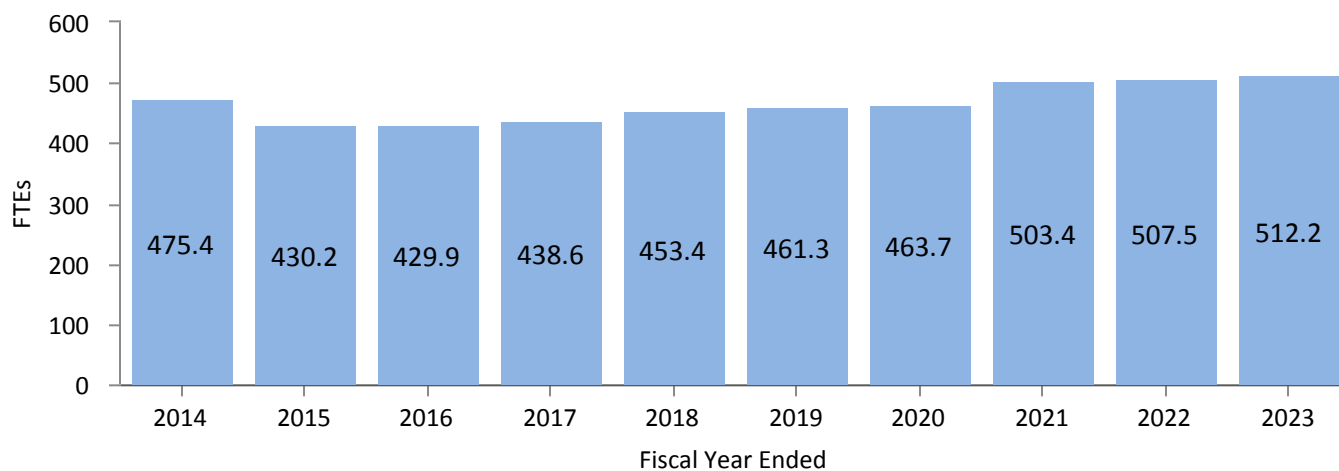
Department	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Executive Management	6.2	7.2	5.7	5.5	5.5	5.0	5.0	5.0	—	—
Administrative Support ⁽²⁾	—	—	—	—	—	—	—	—	128.5	137.6
Customer Care & Field Services	2.9	2.6	2.6	3.1	2.9	2.9	3.0	1.3	—	—
Energy Management	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	5.0	5.0
Engineering	21.5	31.2	33.0	20.8	23.3	24.8	30.3	32.9	38.7	51.5
Environmental, Health, Safety, & Corporate Security	41.5	44.9	32.6	31.2	19.7	18.6	16.8	15.8	—	—
Finance	19.8	16.2	15.2	14.7	24.2	23.0	32.0	33.2	—	—
Human Resources	17.9	4.5	4.7	4.4	4.6	3.5	4.1	—	—	—
Information Technology	51.4	51.6	51.6	42.0	40.1	39.6	34.5	34.4	—	—
Infrastructure Management	73.4	74.1	28.0	24.6	23.6	24.6	19.2	16.0	14.7	—
Legal Services	5.5	5.5	8.5	8.5	8.5	8.0	13.9	11.0	—	—
Operations	63.7	64.3	64.3	58.7	57.3	54.0	57.4	56.7	56.7	89.0
Public Services	35.0	41.5	40.0	38.8	39.8	40.3	30.1	31.9	—	—
Resources & Facilities	—	—	81.4	78.5	78.9	75.8	97.0	98.5	101.8	—
Risk Management	2.5	3.0	—	—	—	—	—	—	—	—
Water & Environmental Resources	—	—	—	—	—	—	—	—	—	98.4
Water Quality & Treatment	92.1	85.3	88.2	86.3	86.4	85.8	89.3	87.2	84.8	93.9
Water Resources	73.8	70.6	42.6	40.6	40.5	41.5	—	—	—	—
Total	512.2	507.5	503.4	463.7	461.3	453.4	438.6	429.9	430.2	475.4

Source: The SNWA's annual budget documents, which are approved by the Board of Directors.

⁽¹⁾ The SNWA has no employees of its own. Full-time equivalent employees 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.

Full-Time Equivalent Employees



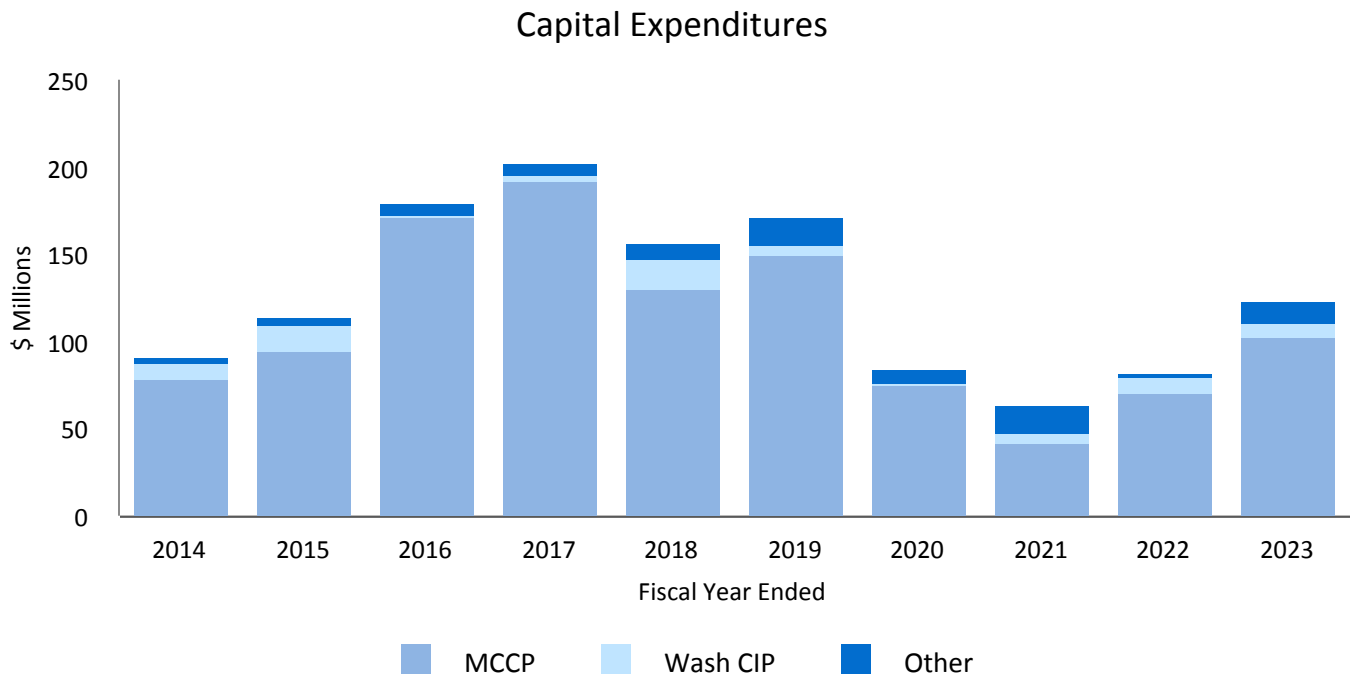
SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Capital Expenditures

Last Ten Fiscal Years

Fiscal Year Ended June 30	Major Construction and Capital Plan	Las Vegas Wash Capital Improvements Plan	Capital Expenditures Outside of Capital Improvement Plans	Total Capital Expenditures
2023	\$ 103,330,125	\$ 7,794,322	\$ 12,951,144	\$ 124,075,591
2022	71,653,773	8,841,645	2,224,065	82,719,483
2021	42,491,668	5,649,956	15,760,444	63,902,068
2020	75,814,548	998,345	7,491,187	84,304,080
2019	150,304,295	6,008,197	15,605,468	171,917,960
2018	131,099,993	16,590,597	9,899,286	157,589,876
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



SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Capital Asset Statistics

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
2023	175	1,000	2	28	38	35	8	3
2022	175	1,000	2	28	38	35	8	3
2021	175	1,000	2	28	38	35	8	3
2020	175	1,000	2	28	38	35	8	3
2019	175	1,000	2	28	38	35	8	3
2018	175	1,000	2	27	38	35	8	3
2017	175	1,000	2	27	38	35	8	3
2016	175	1,000	2	27	38	35	8	3
2015	175	1,000	2	27	38	35	8	3
2014	175	1,000	2	27	38	35	8	3

Source: The SNWA's Operations Department

⁽¹⁾ Capacity in million gallons per day.

Other Information

- Lake Elevations by Quarter Measured in Feet at the Dams
- Debt History
- Individual Debt Service Schedules

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.

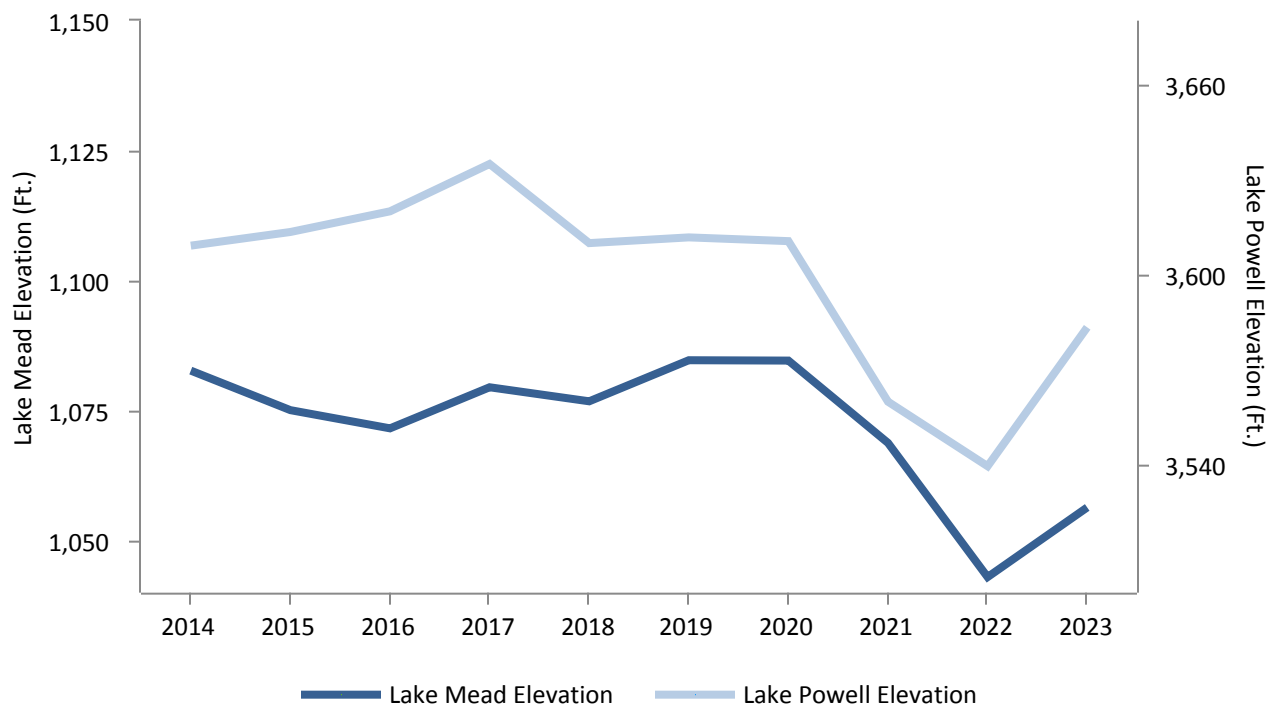


SOUTHERN NEVADA WATER AUTHORITY
Statistical Section (Unaudited)
Lake Elevations by Quarter Measured in Feet at the Dams
Last Ten Fiscal Years

	Lake Mead ⁽¹⁾	Lake Powell ⁽¹⁾		Lake Mead ⁽¹⁾	Lake Powell ⁽¹⁾
09/30/13	1,106.9	3,591.3	09/30/18	1,078.3	3,592.3
12/31/13	1,106.7	3,584.4	12/31/18	1,081.4	3,581.9
03/31/14	1,101.7	3,574.8	03/31/19	1,090.2	3,569.3
06/30/14	1,082.7	3,609.2	06/30/19	1,084.7	3,611.8
09/30/14	1,081.3	3,605.5	09/30/19	1,083.0	3,615.4
12/31/14	1,087.8	3,597.8	12/31/19	1,090.5	3,608.7
03/31/15	1,084.9	3,591.0	03/31/20	1,098.6	3,600.7
06/30/15	1,075.1	3,613.5	06/30/20	1,087.1	3,610.6
09/30/15	1,078.1	3,606.0	09/30/20	1,083.2	3,596.0
12/31/15	1,080.9	3,600.8	12/31/20	1,083.7	3,582.2
03/31/16	1,080.5	3,592.2	03/31/21	1,084.4	3,566.7
06/30/16	1,071.6	3,620.0	06/30/21	1,068.8	3,560.1
09/30/16	1,075.2	3,610.9	09/30/21	1,068.7	3,545.4
12/31/16	1,080.8	3,600.5	12/31/21	1,066.4	3,537.3
03/31/17	1,088.3	3,595.9	03/31/22	1,061.5	3,523.1
06/30/17	1,079.5	3,634.9	06/30/22	1,043.0	3,539.8
09/30/17	1,082.1	3,628.3	09/30/22	1,045.0	3,529.3
12/31/17	1,082.5	3,622.9	12/31/22	1,044.8	3,524.8
03/31/18	1,088.1	3,612.2	03/31/23	1,046.0	3,522.0
06/30/18	1,076.8	3,610.0	06/30/23	1,056.4	3,583.5

⁽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, 2023

Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance at 6/30/2023(\$)
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	—
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	—

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Debt History

As of June 30, 2023

Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance at 6/30/2023(\$)
State of Nevada	State of Nevada 1994 Bonds	Nov 1994	Refund the 1968 & 1978A bonds & begin construction on the Capital Improvement Plan	170,380,000	141,610,000	State of Nevada 1995, 2005H Bonds	28,770,000	—
LVVWD	LVVWD Mar 1995 Bonds	Mar 1995	Capital Improvement Plan	20,000,000	12,775,000	LVVWD Apr 1998 & 2005B Bonds	7,225,000	—
LVVWD	LVVWD Jul 1995 Bonds	Jul 1995	Capital Improvement Plan	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	Capital Improvement Plan	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	Capital Improvement Plan	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	Capital Improvement Plan	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	Capital Improvement Plan	12,269,695			12,269,695	—

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Debt History

As of June 30, 2023

Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance at 6/30/2023(\$)
Clark County	Clark County 0700 Bonds	Jul 2000	Capital Improvement Plan	200,000,000	175,105,000	Clark County 2006 & 2009 Refunding Bonds	24,895,000	—
Clark County	Clark County 0601 Bonds	Jun 2001	Capital Improvement Plan & 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	Capital Improvement Plan	10,000,000			10,000,000	—
Clark County	Clark County 1102 Bonds	Nov 2002	Capital Improvement Plan	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	Capital Improvement Plan & Silverhawk purchase	400,000,000	—	LVVWD 2020A & 2021C Bonds	400,000,000	—
LVVWD	LVVWD 2005B Refunding Bonds	May 2005	Partially refund LVVWD 0395, 0795, & 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	—

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Debt History

As of June 30, 2023

Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance at 6/30/2023(\$)
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	—
Clark County	Clark County 1106 Refunding Bonds	Nov 2006	Capital Improvement Plan & partial refund of Clark County 0601 & 1102 bonds	604,140,000	571,374,167	Clark County 2009, LVVWD 2011B, LVVWD 2011C, Clark County 2016A, Clark County 2016B & Clark County 2021 Refunding Bonds	32,765,833	—
LVVWD	LVVWD 2008B Refunding Bonds	Feb 2008	Refund LVVWD April 1998 bonds	171,720,000	140,565,000	LVVWD 2011A & 2018B Refunding Bonds	31,155,000	—
Clark County	Clark County 2008 Bonds	Jul 2008	Capital Improvement Plan	400,000,000	372,445,000	Clark County 2009, LVVWD 2011C, & Clark County 2017 Refunding Bonds	27,555,000	—
SNWA	SNWA Clean Renewable Energy 2008 Bonds	Jul 2008	Capital Improvement Plan	6,900,000	—		6,900,000	—

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Debt History

As of June 30, 2023

Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance at 6/30/2023(\$)
LVVWD	LVVWD 2009A Bonds	Aug 2009	Capital Improvement Plan	90,000,000	90,000,000	LVVWD 2019A Refunding Bonds	—	—
LVVWD	LVVWD 2009B Bonds	Aug 2009	Capital Improvement Plan	10,000,000	7,675,000	LVVWD 2017B Refunding Bonds	2,325,000	—
Clark County	Clark County 2009 Refunding Bonds	Nov 2009	Partial refund of Clark County 0700, 0601, 1102 1106, & 2008 bonds	50,000,000			50,000,000	—
State of Nevada	State of Nevada 2009 Bonds	Dec 2009	Capital Improvement Plan	2,214,457			1,391,945	822,512
LVVWD	LVVWD 2009C Bonds	Dec 2009	Capital Improvement Plan	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	53,040,000	LVVWD 2017B & 2019A Refunding Bonds	18,925,000	—
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			7,405,000	—
LVVWD	LVVWD 2011A Refunding Bonds	May 2011	Partial refund of LVVWD 2008B bonds	58,110,000	29,925,000	LVVWD 2019B Refunding Bonds	28,185,000	—
LVVWD	LVVWD 2011B Refunding Bonds	Oct 2011	Partial refund of the State of Nevada 2005I, 2006D, 2005F & Clark County 1106 bonds	129,650,000	69,790,000	LVVWD 2019B Refunding Bonds	59,860,000	—
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	174,940,000	LVVWD 2021A Refunding Bonds	92,875,000	—
Clark County	Clark County 2012 Refunding Bonds	Jun 2012	Refund of Clark County 0601 & 1102 bonds	85,015,000	79,515,000	Clark County 2022A Refunding Bonds	5,500,000	—

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Debt History

As of June 30, 2023

Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance at 6/30/2023(\$)
LVVWD	LVVWD 2012B Bonds	Jul 2012	Capital Improvement Plan	360,000,000	299,335,000	LVVWD 2022C Refunding Bonds	60,665,000	—
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			86,270,000	91,365,000
LVVWD	LVVWD 2015C Refunding Bonds	Jun 2015	Refunding State of Nevada 2005H & 2005I bonds	42,125,000			20,950,000	21,175,000
Clark County	Clark County 2016A Refunding Bonds	Mar 2016	Partial refunding of Clark County 2006 & Clark County 1106 bonds	263,955,000			161,470,000	102,485,000
LVVWD	LVVWD 2016A Refunding Bonds	Apr 2016	Partial refunding of State of Nevada 2006D bonds & new money	497,785,000			89,685,000	408,100,000
Clark County	Clark County 2016B Refunding Bonds	Aug 2016	Refunding of Clark County 1106 bonds	271,670,000			37,010,000	234,660,000
LVVWD	LVVWD 2017B Refunding Bonds	Mar 2017	Refunding of LVVWD 2009B & 2009D bonds	22,115,000			6,940,000	15,175,000
Clark County	Clark County 2017 Refunding Bonds	Mar 2017	Refunding of Clark County 2008 bonds	321,640,000			54,750,000	266,890,000
LVVWD	LVVWD 2018B Refunding Bonds	Mar 2018	Refunding of LVVWD 2008B bonds	79,085,000			45,660,000	33,425,000
LVVWD	LVVWD 2019A Refunding Bonds	Mar 2019	Refunding of LVVWD 2009A & 2009D bonds	107,975,000			10,405,000	97,570,000
LVVWD	LVVWD 2019B Refunding Bonds	Oct 2019	Partial refund of LVVWD 2011A & LVVWD 2011B refunding bonds	90,280,000			31,150,000	59,130,000
LVVWD	LVVWD 2020A Refunding Bonds	Mar 2020	Paid 2004B series of LVVWD commercial paper	123,860,000			20,030,000	103,830,000
LVVWD	LVVWD 2021A Refunding Bonds	Mar 2021	Partial refund of LVVWD 2011C refunding bonds	144,685,000			24,200,000	120,485,000

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Debt History

As of June 30, 2023

Issued By	Debt Name	Issue Date	Funds Used For	Original Amount \$	Refunded Amount \$	Refund Source	Principal Paid \$	Balance at 6/30/2023(\$)
LVVWD	LVVWD 2021C Refunding Bonds	Mar 2021	Paid 2004A series of LVVWD commercial paper	208,145,000			24,530,000	183,615,000
Clark County	Clark County 2021 Refunding Bonds	Nov 2022	Partial Refund of Clark County 1106 bonds	67,620,000			—	67,620,000
LVVWD	LVVWD 2022A Bonds	Feb 2022	Capital Improvement Plan	292,240,000			5,035,000	287,205,000
LVVWD	LVVWD 2022C Refunding Bonds	Mar 2022	Partial Refund of LVVWD 2012B Bonds	253,820,000			7,895,000	245,925,000
Clark County	Clark County 2022A Refunding Bonds	May 2022	Refunding of Clark County 2012A Bonds	75,090,000			—	75,090,000
				\$9,806,402,847	\$5,144,418,446		\$1,915,011,889	\$2,746,972,512

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Individual Debt Service Schedules

As of June 30, 2023

Fiscal Year	State of Nevada 2009 Bonds			LVVWD 2015 Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 126,540	\$ —	\$ 126,540	\$ —	\$ 16,370,250	\$ 16,370,250
2025	126,540	—	126,540	—	16,370,250	16,370,250
2026	126,540	—	126,540	—	16,370,250	16,370,250
2027	126,540	—	126,540	—	16,370,250	16,370,250
2028	126,540	—	126,540	—	16,370,250	16,370,250
2029	126,540	—	126,540	—	16,370,250	16,370,250
2030	63,273	—	63,273	—	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	—	—	—	—	—	—
2047	—	—	—	—	—	—
2048	—	—	—	—	—	—
2049	—	—	—	—	—	—
2050	—	—	—	—	—	—
2051	—	—	—	—	—	—
Totals	\$ 822,513	\$ 0	\$ 822,513	\$ 332,405,000	\$ 209,182,650	\$ 541,587,650

(Totals may not add due to rounding)

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Individual Debt Service Schedules

As of June 30, 2023

Fiscal Year	LVVWD 2015B Refunding Bonds			LVVWD 2015C Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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	—	—	—	—	—	—
2047	—	—	—	—	—	—
2048	—	—	—	—	—	—
2049	—	—	—	—	—	—
2050	—	—	—	—	—	—
2051	—	—	—	—	—	—
Totals	\$ 91,365,000	\$ 11,401,625	\$ 102,766,625	\$ 21,175,000	\$ 2,805,563	\$ 23,980,563

(Totals may not add due to rounding)

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Individual Debt Service Schedules

As of June 30, 2023

Fiscal Year	Clark County 2016A Refunding Bonds			LVVWD 2016A Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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
2047	—	—	—	—	—	—
2048	—	—	—	—	—	—
2049	—	—	—	—	—	—
2050	—	—	—	—	—	—
2051	—	—	—	—	—	—
Totals	\$ 102,485,000	\$ 14,998,375	\$ 117,483,375	\$ 408,100,000	\$ 287,880,150	\$ 695,980,150

(Totals may not add due to rounding)

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Individual Debt Service Schedules

As of June 30, 2023

Fiscal Year	Clark County 2016B Refunding Bonds			LVVWD 2017B Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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	—	—	—	—	—	—
2047	—	—	—	—	—	—
2048	—	—	—	—	—	—
2049	—	—	—	—	—	—
2050	—	—	—	—	—	—
2051	—	—	—	—	—	—
Totals	\$ 234,660,000	\$ 56,873,125	\$ 291,533,125	\$ 15,175,000	\$ 2,695,050	\$ 17,870,050

(Totals may not add due to rounding)

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Individual Debt Service Schedules

As of June 30, 2023

Fiscal Year	Clark County 2017 Refunding Bonds			LVVWD 2018B Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 12,645,000	\$ 11,705,100	\$ 24,350,100	\$ 10,580,000	\$ 1,671,250	\$ 12,251,250
2025	13,275,000	11,072,850	24,347,850	11,125,000	1,142,250	12,267,250
2026	13,940,000	10,409,100	24,349,100	11,720,000	586,000	12,306,000
2027	14,635,000	9,712,100	24,347,100	—	—	—
2028	15,370,000	8,980,350	24,350,350	—	—	—
2029	16,140,000	8,211,850	24,351,850	—	—	—
2030	16,945,000	7,404,850	24,349,850	—	—	—
2031	17,790,000	6,557,600	24,347,600	—	—	—
2032	18,505,000	5,846,000	24,351,000	—	—	—
2033	19,245,000	5,105,800	24,350,800	—	—	—
2034	20,010,000	4,336,000	24,346,000	—	—	—
2035	20,815,000	3,535,600	24,350,600	—	—	—
2036	21,650,000	2,703,000	24,353,000	—	—	—
2037	22,515,000	1,837,000	24,352,000	—	—	—
2038	23,410,000	936,400	24,346,400	—	—	—
2039	—	—	—	—	—	—
2040	—	—	—	—	—	—
2041	—	—	—	—	—	—
2042	—	—	—	—	—	—
2043	—	—	—	—	—	—
2044	—	—	—	—	—	—
2045	—	—	—	—	—	—
2046	—	—	—	—	—	—
2047	—	—	—	—	—	—
2048	—	—	—	—	—	—
2049	—	—	—	—	—	—
2050	—	—	—	—	—	—
2051	—	—	—	—	—	—
Totals	\$ 266,890,000	\$ 98,353,600	\$ 365,243,600	\$ 33,425,000	\$ 3,399,500	\$ 36,824,500

(Totals may not add due to rounding)

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Individual Debt Service Schedules

As of June 30, 2023

Fiscal Year	LVVWD 2019A Refunding Bonds			LVVWD 2019B Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 2,935,000	\$ 4,878,500	\$ 7,813,500	\$ 16,755,000	\$ 2,956,500	\$ 19,711,500
2025	3,075,000	4,731,750	7,806,750	17,590,000	2,118,750	19,708,750
2026	3,235,000	4,578,000	7,813,000	18,470,000	1,239,250	19,709,250
2027	3,400,000	4,416,250	7,816,250	6,315,000	315,750	6,630,750
2028	2,250,000	4,246,250	6,496,250	—	—	—
2029	2,365,000	4,133,750	6,498,750	—	—	—
2030	2,480,000	4,015,500	6,495,500	—	—	—
2031	—	3,891,500	3,891,500	—	—	—
2032	—	3,891,500	3,891,500	—	—	—
2033	105,000	3,891,500	3,996,500	—	—	—
2034	115,000	3,886,250	4,001,250	—	—	—
2035	115,000	3,880,500	3,995,500	—	—	—
2036	115,000	3,874,750	3,989,750	—	—	—
2037	120,000	3,869,000	3,989,000	—	—	—
2038	24,610,000	3,863,000	28,473,000	—	—	—
2039	52,650,000	2,632,500	55,282,500	—	—	—
2040	—	—	—	—	—	—
2041	—	—	—	—	—	—
2042	—	—	—	—	—	—
2043	—	—	—	—	—	—
2044	—	—	—	—	—	—
2045	—	—	—	—	—	—
2046	—	—	—	—	—	—
2047	—	—	—	—	—	—
2048	—	—	—	—	—	—
2049	—	—	—	—	—	—
2050	—	—	—	—	—	—
2051	—	—	—	—	—	—
Totals	\$ 97,570,000	\$ 64,680,500	\$ 162,250,500	\$ 59,130,000	\$ 6,630,250	\$ 65,760,250

(Totals may not add due to rounding)

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Individual Debt Service Schedules

As of June 30, 2023

Fiscal Year	LVVWD 2020A Refunding Bonds			LVVWD 2021A Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 7,355,000	\$ 4,635,600	\$ 11,990,600	\$ 13,020,000	\$ 5,573,750	\$ 18,593,750
2025	7,720,000	4,267,850	11,987,850	13,670,000	4,922,750	18,592,750
2026	8,110,000	3,881,850	11,991,850	14,350,000	4,239,250	18,589,250
2027	8,515,000	3,476,350	11,991,350	21,185,000	3,521,750	24,706,750
2028	8,940,000	3,050,600	11,990,600	12,860,000	2,462,500	15,322,500
2029	9,385,000	2,603,600	11,988,600	13,505,000	1,819,500	15,324,500
2030	9,855,000	2,134,350	11,989,350	14,180,000	1,144,250	15,324,250
2031	10,350,000	1,641,600	11,991,600	2,000,000	435,250	2,435,250
2032	10,765,000	1,227,600	11,992,600	2,095,000	335,250	2,430,250
2033	11,195,000	797,000	11,992,000	2,160,000	272,400	2,432,400
2034	11,640,000	349,200	11,989,200	2,200,000	229,200	2,429,200
2035	—	—	—	2,250,000	185,200	2,435,200
2036	—	—	—	2,290,000	140,200	2,430,200
2037	—	—	—	2,335,000	94,400	2,429,400
2038	—	—	—	2,385,000	47,700	2,432,700
2039	—	—	—	—	—	—
2040	—	—	—	—	—	—
2041	—	—	—	—	—	—
2042	—	—	—	—	—	—
2043	—	—	—	—	—	—
2044	—	—	—	—	—	—
2045	—	—	—	—	—	—
2046	—	—	—	—	—	—
2047	—	—	—	—	—	—
2048	—	—	—	—	—	—
2049	—	—	—	—	—	—
2050	—	—	—	—	—	—
2051	—	—	—	—	—	—
Totals	\$ 103,830,000	\$ 28,065,600	\$ 131,895,600	\$ 120,485,000	\$ 25,423,350	\$ 145,908,350

(Totals may not add due to rounding)

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Individual Debt Service Schedules

As of June 30, 2023

Fiscal Year	LVVWD 2021C Refunding Bonds			Clark County 2021 Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 13,005,000	\$ 7,788,750	\$ 20,793,750	\$ —	\$ 1,623,475	\$ 1,623,475
2025	13,660,000	7,138,500	20,798,500	—	1,623,475	1,623,475
2026	14,340,000	6,455,500	20,795,500	—	1,623,475	1,623,475
2027	15,060,000	5,738,500	20,798,500	—	1,623,475	1,623,475
2028	15,810,000	4,985,500	20,795,500	—	1,623,475	1,623,475
2029	16,600,000	4,195,000	20,795,000	—	1,623,475	1,623,475
2030	17,430,000	3,365,000	20,795,000	—	1,623,475	1,623,475
2031	18,305,000	2,493,500	20,798,500	—	1,623,475	1,623,475
2032	19,220,000	1,578,250	20,798,250	—	1,623,475	1,623,475
2033	19,795,000	1,001,650	20,796,650	—	1,623,475	1,623,475
2034	20,390,000	407,800	20,797,800	21,320,000	1,303,675	22,623,675
2035	—	—	—	—	983,875	983,875
2036	—	—	—	22,905,000	740,509	23,645,509
2037	—	—	—	23,395,000	248,572	23,643,572
2038	—	—	—	—	—	—
2039	—	—	—	—	—	—
2040	—	—	—	—	—	—
2041	—	—	—	—	—	—
2042	—	—	—	—	—	—
2043	—	—	—	—	—	—
2044	—	—	—	—	—	—
2045	—	—	—	—	—	—
2046	—	—	—	—	—	—
2047	—	—	—	—	—	—
2048	—	—	—	—	—	—
2049	—	—	—	—	—	—
2050	—	—	—	—	—	—
2051	—	—	—	—	—	—
Totals	\$ 183,615,000	\$ 45,147,950	\$ 228,762,950	\$ 67,620,000	\$ 19,511,382	\$ 87,131,382

(Totals may not add due to rounding)

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Individual Debt Service Schedules

As of June 30, 2023

Fiscal Year	LVVWD 2022A Bonds			LVVWD 2022C Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 5,285,000	\$ 12,152,900	\$ 17,437,900	\$ 8,295,000	\$ 10,751,500	\$ 19,046,500
2025	5,550,000	11,888,650	17,438,650	8,705,000	10,336,750	19,041,750
2026	5,825,000	11,611,150	17,436,150	9,145,000	9,901,500	19,046,500
2027	6,115,000	11,319,900	17,434,900	9,600,000	9,444,250	19,044,250
2028	6,425,000	11,014,150	17,439,150	10,080,000	8,964,250	19,044,250
2029	6,745,000	10,692,900	17,437,900	10,585,000	8,460,250	19,045,250
2030	7,080,000	10,355,650	17,435,650	11,115,000	7,931,000	19,046,000
2031	7,435,000	10,001,650	17,436,650	11,670,000	7,375,250	19,045,250
2032	7,810,000	9,629,900	17,439,900	12,255,000	6,791,750	19,046,750
2033	8,200,000	9,239,400	17,439,400	12,865,000	6,179,000	19,044,000
2034	8,610,000	8,829,400	17,439,400	13,385,000	5,664,400	19,049,400
2035	8,950,000	8,485,000	17,435,000	13,915,000	5,129,000	19,044,000
2036	9,310,000	8,127,000	17,437,000	14,475,000	4,572,400	19,047,400
2037	9,685,000	7,754,600	17,439,600	15,050,000	3,993,400	19,043,400
2038	10,070,000	7,367,200	17,437,200	15,655,000	3,391,400	19,046,400
2039	10,475,000	6,964,400	17,439,400	16,280,000	2,765,200	19,045,200
2040	10,890,000	6,545,400	17,435,400	16,935,000	2,114,000	19,049,000
2041	11,325,000	6,109,800	17,434,800	17,605,000	1,436,600	19,041,600
2042	11,780,000	5,656,800	17,436,800	18,310,000	732,400	19,042,400
2043	12,250,000	5,185,600	17,435,600	—	—	—
2044	12,740,000	4,695,600	17,435,600	—	—	—
2045	13,250,000	4,186,000	17,436,000	—	—	—
2046	13,780,000	3,656,000	17,436,000	—	—	—
2047	14,330,000	3,104,800	17,434,800	—	—	—
2048	14,905,000	2,531,600	17,436,600	—	—	—
2049	15,500,000	1,935,400	17,435,400	—	—	—
2050	16,120,000	1,315,400	17,435,400	—	—	—
2051	16,765,000	670,600	17,435,600	—	—	—
Totals	\$ 287,205,000	\$ 201,026,850	\$ 488,231,850	\$ 245,925,000	\$ 115,934,300	\$ 361,859,300

(Totals may not add due to rounding)

SOUTHERN NEVADA WATER AUTHORITY

Statistical Section (Unaudited)

Individual Debt Service Schedules

As of June 30, 2023

Fiscal Year	Clark County 2022A Refunding Bonds			GRAND TOTAL		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ —	\$ 3,003,600	\$ 3,003,600	\$ 165,221,540	\$ 124,738,575	\$ 289,960,115
2025	—	3,003,600	3,003,600	164,061,540	116,413,075	280,474,615
2026	—	3,003,600	3,003,600	172,486,540	107,927,575	280,414,115
2027	—	3,003,600	3,003,600	174,006,540	99,195,025	273,201,565
2028	—	3,003,600	3,003,600	146,631,540	90,859,900	237,491,440
2029	9,960,000	3,003,600	12,963,600	139,261,540	84,086,275	223,347,815
2030	26,285,000	2,605,200	28,890,200	146,353,272	77,602,363	223,955,635
2031	27,270,000	1,553,800	28,823,800	131,030,000	70,852,850	201,882,850
2032	11,575,000	463,000	12,038,000	136,655,000	64,928,675	201,583,675
2033	—	—	—	142,785,000	59,087,775	201,872,775
2034	—	—	—	152,885,000	53,021,225	205,906,225
2035	—	—	—	121,990,000	47,094,325	169,084,325
2036	—	—	—	131,580,000	41,840,209	173,420,209
2037	—	—	—	136,930,000	36,485,122	173,415,122
2038	—	—	—	143,100,000	31,152,250	174,252,250
2039	—	—	—	149,675,000	24,612,450	174,287,450
2040	—	—	—	49,420,000	17,451,150	66,871,150
2041	—	—	—	51,605,000	15,258,400	66,863,400
2042	—	—	—	53,900,000	12,967,450	66,867,450
2043	—	—	—	37,250,000	10,573,350	47,823,350
2044	—	—	—	38,990,000	8,833,350	47,823,350
2045	—	—	—	40,815,000	7,011,250	47,826,250
2046	—	—	—	42,720,000	5,103,000	47,823,000
2047	—	—	—	14,330,000	3,104,800	17,434,800
2048	—	—	—	14,905,000	2,531,600	17,436,600
2049	—	—	—	15,500,000	1,935,400	17,435,400
2050	—	—	—	16,120,000	1,315,400	17,435,400
2051	—	—	—	16,765,000	670,600	17,435,600
Totals	\$ 75,090,000	\$ 22,643,600	\$ 97,733,600	\$2,746,972,512	\$1,216,653,419	\$3,963,625,931

(Totals may not add due to rounding)

Independent Auditors' Report on Internal Control and Compliance



**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***

Independent Auditors' Report

To the Board of Directors of
Southern Nevada Water Authority

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 (the Authority), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 17, 2023. Our report included an emphasis of matter paragraph relative to the adoption of provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective July 1, 2022. Our report is not modified with respect to this matter.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's 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 financial statements, including whether the funds established by the Authority, 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*.

Purpose of This Report

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

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Madison, Wisconsin
October 17, 2023