

**COLORADO RIVER COMMISSION**

**OF**

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**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE**

**FISCAL YEAR ENDED**

**JUNE 30, 2020**

*A Component Unit of the State of Nevada*

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE  
COLORADO RIVER COMMISSION  
OF NEVADA**

A component unit of the State of Nevada

Las Vegas, Nevada

For the  
FISCAL YEAR ENDED JUNE 30, 2020

*Prepared by the Finance and Administration Division*

**STATE OF NEVADA**

STEVE SISOLAK  
*Governor*

AARON FORD  
*Attorney General*

CATHERINE BYRNE  
*Controller*

ZACH CONINE  
*Treasurer*

BARBARA K. CEGAVSKE  
*Secretary of State*

## COLORADO RIVER COMMISSION

PUOY K. PREMSRIRUT  
*Chairwoman*

KARA J. KELLEY  
*Vice Chairwoman*

CODY T. WINTERTON  
*Commissioner*

MARILYN KIRKPATRICK  
*Commissioner*

DAN H. STEWART  
*Commissioner*

ALLEN J. PULIZ  
*Commissioner*

JUSTIN JONES  
*Commissioner*

## COMMISSION STAFF

ERIC P. WITKOSKI  
*Executive Director*

SARA A. PRICE  
*Senior Assistant Director*

GAIL A. BATES  
*Assistant Director, Hydropower*

DOUGLAS N. BEATTY  
*Chief, Finance and Administration*

ANGELA K. SLAUGHTER  
*Natural Resources Manager*

MICHAEL D. SLATTERY  
*Assistant Director, Energy Operations*

ROBERT D. REESE  
*Assistant Director, Engineering & Operation*

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STATE OF NEVADA

STEVE SISOLAK, *Governor*  
PUOY K. PREMSRIRUT, *Chairwoman*  
KARA J. KELLEY, *Vice Chairwoman*  
ERIC WITKOSKI, *Executive Director*



JUSTIN JONES, *Commissioner*  
MARILYN KIRKPATRICK, *Commissioner*  
ALLEN J. PULIZ, *Commissioner*  
DAN H. STEWART, *Commissioner*  
CODY T. WINTERTON, *Commissioner*

**COLORADO RIVER COMMISSION  
OF NEVADA**

December 22, 2020

**Honorable Chairwoman and  
Members of the  
Colorado River Commission of Nevada**

It is a pleasure for us to present the Comprehensive Annual Financial Report (CAFR) of the Colorado River Commission of Nevada (the Commission) for the year ended June 30, 2020, prepared by the financial and administrative division staff. This CAFR is published to fulfill state law and bond covenants requiring such within six months of the close of each fiscal year. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that was established for this purpose. The Commission's controls have been developed in accordance with the State of Nevada Controller's office state-wide internal control system. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Eide Bailly, Certified Public Accountants and Business Advisors, audited the Commission's fiscal 2020 basic financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the Commission are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Commission's basic financial statements for the fiscal year ended June 30, 2020, are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States (GAAP). The independent auditors' report is presented in the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Commission's MD&A is presented in the financial section of this report.

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## THE COMMISSION

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The Commission has broad statutory authority to establish policy for the management of the State of Nevada’s (the State or Nevada) allocation of power and water resources from the Colorado River. As a state agency, it comprises a discretely presented component unit of the State for financial reporting purposes. Basic financial information presented herein is also included in the State’s Comprehensive Annual Financial Report.

The Commission is governed by seven commissioners, four of whom, including the Chairwoman, are appointed by the Governor, with the remaining three appointed by the Southern Nevada Water Authority (SNWA). Commissioners are required to have a general knowledge of the development of the Colorado River and its tributaries within Nevada, as well as the rights of Nevada pertaining to the resources and benefits of the Colorado River. The members of the Commission are:

Name	Initial Appointment	Current Term
Puoy K. Premssirut, <b>Chairwoman</b>	2013	7/1/17 – 6/30/20
Kara J. Kelley, <b>Vice-Chairwoman</b>	2015	7/1/17 – 6/30/20
Cody T. Winterton	2015	7/1/19 – 6/30/21
Honorable Marilyn Kirkpatrick, Clark County Commissioner	2016	7/16/20 – 7/16/22 *
Honorable Dan H. Stewart, City of Henderson Councilman	2016	7/16/20 – 7/16/22 *
Allen J. Puliz	2019	9/1/19 – 8/31/22
Honorable Justin Jones, Clark County Commissioner	2020	7/16/20 – 7/16/22 *

The Commission is responsible for the acquisition, management, utilization and development of designated water and electric power resources of the State. It is empowered to receive, protect, safeguard and hold in trust all rights, interests and benefits in and to the waters of the Colorado River and such power generated thereon to which Nevada is entitled. The Commission has the authority to make and enter into compacts or contracts and cooperate with other entities, states, and/or the federal government in fulfilling its statutory responsibilities. The Commission’s main office is located in Las Vegas, Nevada.

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\* Designates those commissioners appointed by the SNWA who have terms that are subject to reappointment and continuation of their service as directors of SNWA.

Activities of the Commission are funded from revenue received from power and water contractors. An administrative charge is included in power sales to provide funding for power related activities. Water administrative revenues are received from the SNWA. Interest income earned from investments by the State Treasurer also contributes to revenues. The Commission does not request or receive any State tax allocations or federal funds to support its administrative and operating functions.

**Power** - Nevada's allocation of hydropower from Hoover, Parker and Davis Dams, and the Salt Lake City Area Integrated Project is purchased by the Commission from the federal government and sold to several contracting entities in southern Nevada, including three rural electrification associations, one municipal and one investor-owned utility, and an industrial complex near Henderson, Nevada. The Commission also seeks and contracts for available capacity and energy from alternative sources in order to meet the needs of the entities it serves. The Commission is also responsible for developing power delivery facilities and providing power, including hydropower to SNWA's treatment facilities and the Basic Industrial Complex in Henderson. The Commission's customer base is limited by state law to its current existing customers (including the power load to serve the water pumping needs of SNWA and its member agencies) and those who received a hydropower allocation under certain allocation processes.

**Water** - The Commission represents Nevada's interests on all state and interstate matters dealing with the management, operation and administration of the water resources of the Colorado River. The Commission works directly with the U.S. Bureau of Reclamation, representing the Secretary of the Interior as the water master of the Colorado River in the Lower Basin; the other six Colorado River Basin states consisting of Arizona, California, Colorado, New Mexico, Utah, and Wyoming; and SNWA and other water users in southern Nevada. Negotiating new water supplies, identifying new operating strategies, which balance water use with water supply, and developing new mechanisms for interstate water transfers and drought contingency plans continues to be the principal focus of the Commission.

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## FACTORS AFFECTING FINANCIAL CONDITION

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The information presented in the financial statements is best understood when it is considered from the broader perspective of the environment within which the Commission provides service.

**Clark County (the County).** Although the resources of the Colorado River are allocated to the State, the primary area served by the Commission is Clark County. The majority of the Commission's revenues and activities occur in the County.

The County encompasses 7,927 square miles, an area larger than the entire state of New Jersey. It includes five incorporated cities: Las Vegas, Henderson, North Las Vegas, Boulder City, and Mesquite; fourteen unincorporated towns; one school district; four library districts; one urban and two rural fire districts; one sanitation district; one urban and three rural water districts; and eleven judicial townships.



Clark County's population continues to increase at a moderate rate following declines in population reported in 2009 through 2011. The most current Certified Population Estimates (as certified by the State Governor) of the State Demographer indicates that the County's 2019 population of 2,292,391 represents approximately 73.7% of the State's 2019 population; virtually unchanged from last year's percentage. Current projections forecast the County population to be 2,318,174 in 2020 and 2,315,809 in 2021. Nevada's certified 2019 population was 3,112,937, with the 2020 estimated population being 3,149,234. This reflects an increase of 1.17%. The current demographic estimate indicates continued growth over the next two years also at a rate of approximately 1.4% annually.

The State experienced serious financial declines in 2020 due to the COVID-19 pandemic. On November 18, 2020 the Nevada Department of Employment, Training, and Rehabilitation reported that statewide employment increased by 3,600 from the prior month, but jobs remain below typical levels, down 117,200 when compared to October of 2019. The state's unemployment rate is currently 12% which is up 8.3% when compared to October 2019. The Nevada unemployment rate is higher than the national rate which is currently at 6.9%. Unemployment in October totaled 185,498, up 128,260 from this same time in 2019. During this period state and local governments have taken steps to decrease expenditures to maintain balanced budgets as the impact of the pandemic has significantly reduced governmental income streams. Over this period, the revenues of the Commission have been relatively stable, and are projected to remain so over the next biennium as increases in hydropower administrative rates were implemented in July of 2019. The major impact to the Commission has been related to its' industrial customer base. These customers have suffered decreases in product demand due to the pandemic and have subsequently reduced projected power purchases. However, the Commission's power resources continue to among the lowest cost resources available to its customers so the total impact of reduced demand is not projected to materially impact revenues over the biennium.

**Long-Term Financial Planning.** The financial management group monitors the fund balance of the Commission's general fund to ensure adequate reserves to fund ongoing operations. State and Commission regulations provide the flexibility to adjust water administrative revenues with each budget cycle, and to change power administrative charges with advance notice to the customers. Acceptable fund balance and cash levels are maintained with an annual internal review and, during the budget cycle (each even numbered year), are reviewed with the customers in budget preparation meetings. Due to the pass through nature of the Commission's enterprise funds, ending fund balances are not monitored for adequate levels. Cash flow is monitored for these funds, as each month's billings reflect actual revenue requirements for the month. Risk for these funds revolves around the inherent enterprise risk of the Commission's customers.

To ensure ongoing revenues, the Commission monitors the creditworthiness of its customer and vendor base. As most of the customer base is governmental in nature, the risk of financial failure is not significant. For the customers that are not governmental based, the Commission requires deposits against power purchases in amounts determined annually by staff. These deposits are cash with one customer providing a letter of credit issued by financial institution acceptable to the Commission and the State Treasurer. The deposits are always equal to three months of average power purchases by the customer or a greater amount as determined by the Commission.

The Commission operates in close concert with all of its customers. Some staff members of the Commission's Energy Services group are housed full-time at the SNWA offices and all customers have access to Commission records and operational information including real time power purchasing and invoicing amounts.

Cash in all funds is deposited in the State Treasurer's account, and the Treasurer acts as the exclusive financial institution for the Commission. Interest income is received from the State Treasurer on all Commission cash. The Commission has no direct control over the investing activities of these resources. Interest income is not significant and is not used in budgeting and cash needs analysis.

**Market Risk Management.** The Commission has adopted an extensive risk management policy in line with current best electric power practices. A combined risk management committee has been established between the Commission and the SNWA. This committee establishes risk parameters, policies and procedures acceptable to both agencies. While the risk management committee policy is binding on all activities related to the SNWA, the Commission applies these policies to all power procurement activities insofar as they can be applied.

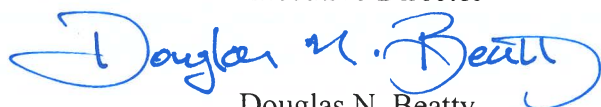
**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Commission for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the 43<sup>rd</sup> consecutive year that the Commission has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

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

**Acknowledgements.** Preparation of this report could not have been accomplished without the services of the entire staff of the Commission. We would like to express our appreciation to all members of the staff. We would also like to express our thanks to the Commission members for their interest and support in planning and conducting the financial affairs in a responsible and professional manner.



Eric Witkoski  
Executive Director



Douglas N. Beatty  
Division Chief, Finance & Administration



Government Finance Officers Association

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for Excellence  
in Financial  
Reporting

Presented to

**Colorado River Commission of Nevada**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

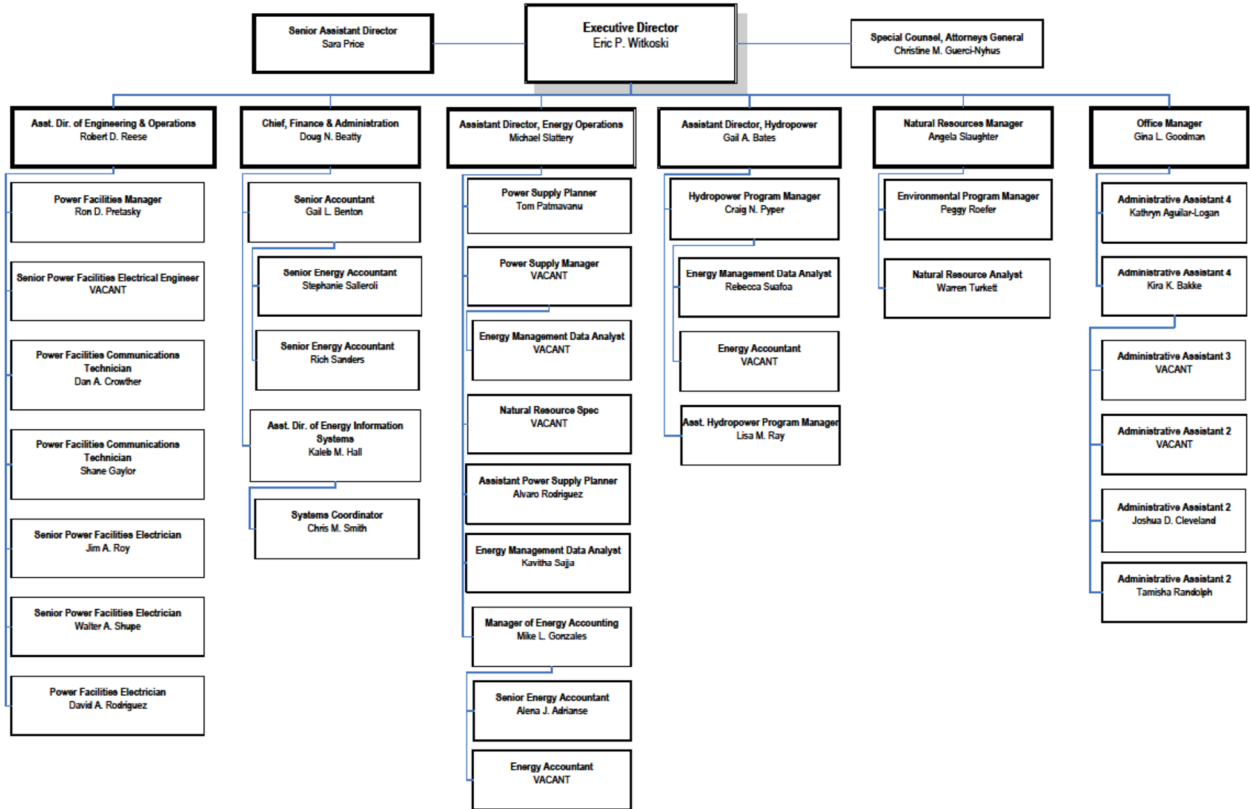
June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# Colorado River Commission of Nevada

## Functional Organization



Sep 02, 2020



## Independent Auditor's Report

To the Members of the Colorado River Commission of Nevada  
Colorado River Commission  
Las Vegas, Nevada

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Colorado River Commission of Nevada (the Commission), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Commission as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows, thereof, and the respective budgetary comparison for the General Fund and the Research and Development Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress for the OPEB liability, and pension trend data on pages 3 through 12 and 43 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis and pension and OPEB trend data, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section and statistical section shown on pages i through ix and 47 through 62 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2020 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 entity'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 Commission's internal control over financial reporting and compliance.



Las Vegas, Nevada  
December 22, 2020

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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This section of the Comprehensive Annual Financial Report (CAFR) of the Colorado River Commission of Nevada (the Commission) presents management's overall analysis of financial activities for the fiscal year ended June 30, 2020. This information will provide a more complete picture of Commission activities when read in conjunction with the financial statements, notes to the financial statements and letter of transmittal.

### Financial Highlights

- ❖ The assets and deferred outflows of the Commission's governmental activities exceed the liabilities and deferred inflows at the close of the fiscal year by \$5,833,538 (net position). However, the restricted fund balance related to the Research and Development Fund was \$11,810,958; thus, the Commission's General Fund's portion of the net position is (\$5,977,420).
- ❖ The net position in the enterprise funds increased slightly this year by \$50,951 from \$1,753,567 to \$1,804,518. The net position was expected to remain relatively stable as there were no significant power market changes or changes in programs this year, and market prices remained relatively stable over the period.
- ❖ Cash balances in the governmental funds increased during the year, from a reported balance of \$12,992,622 in fiscal year 2019, to \$14,192,971 in fiscal year 2020. This was due to increased Hydropower Administrative Charge collections, pursuant to an increase in the Administrative fee late in fiscal 2019, and to scheduled contractual collections of reserves in the Research and Development fund for habitat conservation. The reserves are part of the Lower Colorado River Multi-Species Conservation Program which is described in more detail later in this analysis. Cash in the Research and Development Fund increased by \$654,105 while cash in the General Fund increased by \$546,244.
- ❖ Revenues from the power administrative charge increased by \$563,996 as compared to the last fiscal year. As mentioned above, this was a result of an administrative rate increase approved by the Commission in fiscal 2019. The administrative charge had not been increased in over 10 years.
- ❖ Total power sales and the total cost of electric service provided to the Commission's customers varied only slightly this year despite the COVID-19 pandemic. Analysis of each fund individually indicates that the:
  - Power Marketing Fund revenues decreased an insignificant amount from \$28,186,312 in fiscal year 2019 to \$28,060,731 in fiscal year 2019. This represents a 0.45% decrease.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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- Power operating expenses decreased from \$28,220,693 to \$28,095,112 from fiscal year 2019 to fiscal year 2020. This represents a 0.44% decrease. Depreciation, general administrative charges and prepaid power advances remained relatively constant.
  - Revenues of the Power Delivery Fund increased from \$15,520,258 in fiscal year 2019 to \$16,047,305 in fiscal year 2020. This increase is the result of slight increases in the cost of purchased power late in calendar 2019. Power operating costs also experienced a corresponding increase from \$15,565,314 to \$16,101,489 for the same time period. We expect the power revenues and purchases to decline slightly in the next two years as the Commission's industrial customers have experienced a decline in demand for their products, thus decreasing demand for the resources of the agency. The decline in projected Commission resources is limited to purchases from power market suppliers. All available hydropower resources will continue to be marketed to our customers.
  - The Commission has been impacted by the COVID-19 pandemic in that its staff is primarily working from home, all basin state travel and other related costs have stopped, and the agency will be asked to participate in the State furlough program to reduce the overall state expenses. The Commission has not been required to cut other costs or reduce budget amounts as this will not benefit overall state expenses. Reductions in load are expected to continue for a minority of our customers in the next two years as discussed above. The Commission will continue to supply customer load as needed and will pass the cost of the purchased power to its' customers at total cost, including administrative costs. In general the revenues and costs of the agency have reduced slightly from expected, but reserve levels remain within acceptable levels and will be monitored as needed to ensure the continuing operations of the agency. In general, the financial position of the Commission has improved over the past year as the increase in administrative fee has begun to improve the level of cash reserves.
- ❖ The Silver State Energy Association (SSEA) was formed as a joint action agency with the goal of aggregating power load requirements and resources to take advantage of economies of scale and to participate collectively in potential electric power projects. The organization includes the Commission, the City of Boulder City, Overton Power District No. 5, Lincoln County Power District No 1, and the Southern Nevada Water Authority. More information about SSEA may be found at [www.silverstateenergy.org](http://www.silverstateenergy.org). The organization has been slowly growing and taking on new roles in the power procurement arena. The SSEA has undertaken a number of projects. SSEA first began serving the City of Boulder City as a full service provider. In April of 2013 the SSEA became the service provider for the Southern Nevada Water Authority (SNWA). As part of the full-service program, Commission personnel now serve as contract staff for the SSEA. Power sales and costs related to the SSEA activity are not reported by the Commission. These activities are reported by the SSEA in their respective financial statements.



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Overview of the Financial Statements

The Commission is a special-purpose State of Nevada (State) government entity. It is empowered primarily to administer the Colorado River water resources allocated to the State by the Federal Government, and to provide electric power resources to specific legislatively approved entities. Through the Commission, most of the water resources have been allocated to a regional governmental entity, SNWA. The power resources are provided mostly to governmental or quasi-governmental entities and a limited number of industrial end users grandfathered in to the Commission's service authority. Thus, the enterprise funds have a statutorily limited customer base. The Commission was not empowered to seek or serve any additional entities during the fiscal year, but pursuant to Assembly Bill 199 enacted during the 2013 legislative session, began to serve new customers a limited amount of hydropower (approximately 21 megawatts) from Hoover Dam. The contracts and new service began in fiscal 2018. This power was made available as part of a 5% reduction in power allocations to existing customers pursuant to Federal Legislation. The authorization related to new customers is limited to only the small hydropower energy pool created at Hoover Dam (Hoover "Schedule D" power). The water function is not intended to serve as an enterprise-type activity, and is accounted for in the Commission's general administrative fund. The electric power function, contractually not intended to generate a profit, is accounted for through the use of two enterprise funds. One of the funds, the Power Delivery Fund records the transactions related to the Commission's major customer, SNWA. The resources of this fund provide electric power for SNWA's water pumping needs. The Power Marketing Fund, records the transactions related to the purchase and sale of hydropower resources allocated to the State. These resources are generated from Federal Hydropower Projects (Hoover Dam, Parker-Davis Dam, and others) on the Colorado River. In addition to these funds, the Commission administers one special revenue type governmental fund to account for the Lower Colorado River Multi-Species Program (LCRMSCP).

The Commission's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Commission's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The *statement of activities* presents information showing how the Commission's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The functions reported on the Commission's basic financial statements are principally supported by user fees and charges. The water-related activities are supported by an administrative fee assessed on SNWA, and the power-related activities are supported through administrative charges assessed as part of the sale of electric resources. Environmental activities are supported through administrative fees assessed on the SNWA and on hydropower customers.

**Fund financial statements.** A fund is a self-balancing group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Commission can be divided into two categories: governmental and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison.

The Commission maintains only two governmental funds, the general fund and the research and development fund. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balances for the general fund and the special revenue fund. Only the general fund is considered a major fund. Fund data for the remaining special revenue fund is provided in this report.

The Commission maintains two proprietary (enterprise) funds, both of which are also considered major funds. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. These funds provide the same type of information as the government-wide financial statements, but in more detail. The Commission adopts an annual budget for all funds. A budgetary comparison is provided in this report for the two governmental funds.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements and fund financial statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial condition. Increases or decreases in the net position may, over time be an indicator of improving or deteriorating financial stability of the entity. However, this must be evaluated with other factors, some of which are detailed in the following tables.

Colorado River Commission's Net Position						
	Governmental Activities			Business-type Activities		
	2020	2019	Change	2020	2019	Change
<b>Current assets:</b>	\$ 14,532,309	\$ 13,375,613	\$ 1,156,696	\$ 8,148,844	\$ 8,184,045	\$ (35,201)
Non-current restricted cash and cash equivalents				2,602,818	2,501,597	101,221
Capital assets, net	10,690	16,284	(5,594)	45,162,047	47,131,765	(1,969,718)
Prepaid power, net	-	-	-	23,863,942	24,624,045	(760,103)
<i>Total Assets</i>	<u>14,542,999</u>	<u>13,391,897</u>	<u>1,151,102</u>	<u>79,777,651</u>	<u>82,441,452</u>	<u>(2,663,801)</u>
Deferred Outflows of Resources	1,204,667	1,119,016	85,651			-
<i>Total assets and deferred outflows</i>	<u>15,747,666</u>	<u>14,510,913</u>	<u>1,236,753</u>	<u>79,777,651</u>	<u>82,441,452</u>	<u>(2,663,801)</u>
<b>Current liabilities:</b>	768,080	513,667	254,413	9,878,684	9,885,315	(6,631)
Long-term bonds				25,847,118	26,596,123	(749,005)
Unearned revenue net of current portion				42,247,331	44,206,447	(1,959,116)
Net OPEB liability	2,267,165	2,218,398	48,767			-
Net pension liability	5,986,027	5,993,734	(7,707)			-
Other noncurrent liabilities	189,443	175,941	13,502			-
<i>Total Liabilities</i>	<u>9,210,715</u>	<u>8,901,740</u>	<u>308,975</u>	<u>77,973,133</u>	<u>80,687,885</u>	<u>(2,714,752)</u>
Deferred Inflows of Resources	703,413	583,452	119,961			
<i>Total liabilities and deferred inflows</i>	<u>9,914,128</u>	<u>9,485,192</u>	<u>428,936</u>	<u>77,973,133</u>	<u>80,687,885</u>	<u>(2,714,752)</u>
<b>Net position:</b>						
Net investment in capital assets	10,690	16,284	(5,594)	45,162,047	47,131,765	(1,969,718)
Restricted	11,810,958	11,199,713	611,245			-
Unrestricted	(5,988,110)	(6,190,276)	202,166	(43,357,529)	(45,378,198)	2,020,669
<i>Total net position</i>	<u>\$ 5,833,538</u>	<u>\$ 5,025,721</u>	<u>\$ 807,817</u>	<u>\$ 1,804,518</u>	<u>\$ 1,753,567</u>	<u>\$ 50,951</u>

Note that the total assets in the governmental funds increased slightly from the previous year, with the majority of the change reflected in a increase in cash, as expected due to the increase in the hydropower administrative fee and collections of cash reserves in the research and development fund. These reserves are contractually restricted for use only in the Lower Colorado River Multi-species Conservation Program. This reserve should build at a decreased rate for the next few years until needed for program purposes.

Total assets in the business-type funds decreased from the previous year. The decrease reflects the depreciation and amortization expense.

The Commission has a significant amount of capital assets in its enterprise funds. The acquisition or construction of these assets has been fully funded through the issuance of General Obligation Revenue Supported Bonds. The contracts with Commission customers provide for collections equal to the bond debt payments only. The Commission does not include depreciation expense in its charges for power. This means that the net assets related to capital investment will never be significant for the Commission's

## MANAGEMENT'S DISCUSSION AND ANALYSIS

enterprise funds, no matter the cost of the assets. Also, in the early years of the asset life, when depreciation is higher than the underlying debt service, there will be a negative investment in capital assets. However, all things being equal, at the end of the asset life and debt term, the net investment should be zero.

### Colorado River Commission's Changes in Net Position

	Governmental Activities			Business-type Activities		
	2020	2019	Change	2020	2019	Change
Revenues:						
Program revenues:						
Administrative charges	\$ 2,912,999	\$ 2,487,823	\$ 425,176			
Power sales revenue:						
Power marketing				\$ 28,060,731	\$ 28,186,312	\$ (125,581)
Power delivery				16,047,305	15,520,258	527,047
General revenues:						
Investment income (loss)	382,851	212,331	170,520	139,516	47,021	92,495
Multi-species surcharge	720,385	699,050	21,335			
Miscellaneous	70,191	61,251	8,940		7,876	(7,876)
Total revenues	<u>4,086,426</u>	<u>3,460,455</u>	<u>625,971</u>	<u>44,247,552</u>	<u>43,761,467</u>	<u>486,085</u>
Expenses:						
General government	3,278,609	3,248,545	30,064			
Power purchase expenses:						
Power marketing				28,095,112	28,220,693	(125,581)
Power delivery				16,101,489	15,565,314	536,175
Total expenses	<u>3,278,609</u>	<u>3,248,545</u>	<u>30,064</u>	<u>44,196,601</u>	<u>43,786,007</u>	<u>410,594</u>
Change in net assets	807,817	211,910	595,907	50,951	(24,540)	75,491
Net position, beginning (as restated)	5,025,721	4,813,811	211,910	1,753,567	1,778,107	(24,540)
Net position, ending	<u>\$ 5,833,538</u>	<u>\$ 5,025,721</u>	<u>\$ 807,817</u>	<u>\$ 1,804,518</u>	<u>\$ 1,753,567</u>	<u>\$ 50,951</u>

The governmental activities of the Commission are small in comparison to the capital and power purchasing activities. The Commission's water-related efforts and hydropower support activities form the bulk of the governmental programs. These activities are funded on a current basis through administrative assessments, and the Commission carries minimal necessary cash balances for these activities. Governmental fund revenues increased this year from last year due to an approved increase in the hydropower administrative charge. Governmental expenses experienced insignificant increases for the year. This was due to decreased activity as the COVID-19 pandemic limited travel and other costs.

The activities related to the electric power utility function are large and generate millions of dollars in both revenues and expenses. However, as the Commission's contracts for power allow only for recovery of cost in the enterprise funds, these activities do not contribute significant amounts to net position. In fact, based on timing differences between collections from customers and payment to vendors, the contributions to net position from these activities may be negative in any given year. For the fiscal year ended June 30, 2020, revenues and expenses of the Power Marketing Fund decreased due to continued decreases in hydropower availability as the current drought continues. Revenues and expenses of the Power Delivery Fund increased due to increases in market power costs.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Financial Analysis of Government Funds.

The Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All cash receipts and disbursements are processed and recorded by the State Controller. Budgetary and cash control is imposed by the Controller on the general and special revenue funds. Cash control is required for the enterprise funds. No vouchers are processed for payment unless adequate budget authority exists.

The Commission downloads data from the Controller related to revenue and expense transactions. These downloads are imported into a computerized reporting system for financial report preparation purposes. As more fully explained in Note 1 to the financial statements, the accounting policies of the Commission conform to, and its financial statements have been prepared in accordance with, accounting principles generally accepted in the United States applicable to government units.

The Commission is not subject to regulation by federal or state utility regulatory bodies. General governmental activity of the Commission is recorded in the general fund.

Funding sources for the Commission's general administrative functions are detailed below:

	2020		2019	
	Amount	Percent	Amount	Percent
Power administrative charge	\$ 1,589,854	26.36%	\$ 1,025,858	19.47%
Water administrative charge	1,323,145	21.94%	1,461,965	27.74%
Investment income	66,435	1.10%	33,969	0.64%
Miscellaneous income	67,385	1.12%	61,251	1.16%
Total revenues	3,046,819	50.51%	2,583,043	49.02%
Allocated salaries and overhead	2,985,122	49.49%	2,686,771	50.98%
All funding sources	<u>\$ 6,031,941</u>	<u>100.00%</u>	<u>\$ 5,269,814</u>	<u>100.00%</u>

Revenues of the Commission's general fund totaled \$2,583,043 in fiscal 2019, \$463,776 more than the \$3,046,819 realized in fiscal 2020. The increase is a result of an increase in water administrative charge. Allocated salaries and overhead increased as a result of near full employment for the authorized positions and an increase in utilization of the allocable positions for utility functions.

A comparison of Revenues changes from the prior fiscal year is detailed below:

	2020	2019	Change
Power administrative charge	\$ 1,589,854	\$ 1,025,858	\$ 563,996
Water administrative charge	1,323,145	1,461,965	(138,820)
Investment income	66,435	33,969	32,466
Miscellaneous income	70,191	61,251	8,940
Total Revenues	<u>\$ 3,049,625</u>	<u>\$ 2,583,043</u>	<u>\$ 466,582</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Change in levels of expenditures from the preceding year is as follows:

	2020	2019	Change
Personnel	\$ 4,309,103	\$ 4,097,092	\$ 212,011
Travel	38,807	64,647	(25,840)
Operating	1,259,892	1,270,810	(10,918)
Equipment	89,109	25,425	63,684
Total expenditures	5,696,911	5,457,974	238,937
Less allocated salaries and overhead	(2,985,122)	(2,686,771)	(298,351)
Net expenditures	<u>\$ 2,711,789</u>	<u>\$ 2,771,203</u>	<u>\$ (59,414)</u>

Net expenditures of the general fund totaled \$2,711,789 which is \$59,414 less than the \$2,771,203 expended during fiscal 2020. The decrease can be attributed to decreases in overall operational activity, as described previously.

Fund balances in the general fund and special revenue fund at year end compared to the previous year were:

Fund	Fund Balance June 30		Change
	2020	2019	
General Fund	\$ 2,282,237	\$ 1,944,401	\$ 337,836
Research and Development Fund	11,810,958	11,199,713	611,245

There were no significant changes to the budget for fiscal 2020. The budget to actual comparisons for the Commission's governmental funds is detailed below:

	2020 Authorized Budget			Variance
	Original	Final	Actual	
<i>General Fund:</i>				
Revenues:				
Power Administrative Charge	\$ 2,363,229	\$ 2,363,229	\$ 1,589,854	\$ (773,375)
Water Charges	2,205,893	2,205,893	1,323,145	(882,748)
Investment Income	80,202	80,202	66,435	(13,767)
Miscellaneous	59,347	59,347	70,191	10,844
Total Revenues	<u>\$ 4,708,671</u>	<u>\$ 4,708,671</u>	<u>\$ 3,049,625</u>	<u>\$ (1,659,046)</u>
Expenses:				
Personnel Services	\$ 5,306,863	\$ 5,306,863	\$ 4,309,103	\$ 997,760
Travel	66,374	66,374	38,807	27,567
General Operating Costs	479,186	480,586	496,784	(16,198)
Contractual Services	759,207	759,207	140,385	618,822
Legal Costs	609,844	609,844	609,465	379
Equipment and Software	159,472	159,472	89,109	70,363
Water Purchases	13,255	14,155	13,258	897
Total Expenditures	\$ 7,394,201	\$ 7,396,501	5,696,911	1,699,590
Cost Allocation	(2,725,577)	(2,725,577)	(2,985,122)	259,545
Net Expenditures	<u>\$ 4,668,624</u>	<u>\$ 4,670,924</u>	<u>\$ 2,711,789</u>	<u>\$ 1,959,135</u>

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Review of revenue budget to actual comparisons show both administrative charges were below budget. The hydropower administrative charge was projected based on anticipated administrative expenditures. Budgeted costs, based on past costs, were expected to exceed the revenue generated by decreasing power generation, thus prompting the administrative increase. The increase in the hydropower administration fee resulted in actual collections close to budgeted amounts. The water charges were estimated to include significant utilization of outside consultants. Anticipated contract services were not fully utilized and water administrative cash reserves were adequate, the billings were reduced to reflect this.

Review of expenditures indicates that personnel costs overall were below budget. The significant positive variances were in personnel; this is due to budgeting unfilled positions at maximum salary levels and filling the positions at less than budgeted amounts; outside contractual costs, which were below budgeted amounts due to less activity relating to river related functions that would have required the use of outside experts. The cost allocation amount also reflects budgeted position levels that were not utilized at that level.

The research and development fund records the transactions related to the LCRMSCP. The goals of the program are to work toward the recovery of listed species through habitat and species conservation, and attempt to reduce the likelihood of additional species listings under the Endangered Species Act. The program will also accommodate current water diversions and power production and optimize opportunities for future water and power development. This program is a 50-year program and this is the twelfth year of operations under the program. In accordance with the funding contracts, current payments related to the program are now depositing substantial amounts into a reserve account for use related to species habitat in the future. This will continue for the next few years until appropriate expenditures are directed by the United States Bureau of Reclamation. All charges to Commission customers are pursuant to contract.

### **Capital Assets**

The Commission's investment in capital assets for its governmental and business-type activities as of June 30, 2020, amounts to \$45,162,047 (net of accumulated depreciation). This investment includes the power delivery system, automobiles and equipment (both administrative vehicles and power delivery project utility vehicles) and office furniture. The depreciable lives related to the Commission's automobiles and equipment are dictated by the policies and standards adopted by the State. The Commission does not have the ability to change the policies and standards related to the depreciable lives or methods on its own. Please refer to Note 5 to the financial statements for more detailed information related to the capital assets of the Commission.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Colorado River Commission's Capital Assets (net of depreciation)

	Governmental Activities			Business-type Activities		
	2020	2019	Change	2020	2019	Change
Power transmission system				\$ 44,951,349	\$ 46,944,845	\$ (1,993,496)
Automobiles and equipment	\$ 10,690	\$ 16,284	\$ (5,594)	210,698	186,920	23,778
Total	<u>\$ 10,690</u>	<u>\$ 16,284</u>	<u>\$ (5,594)</u>	<u>\$ 45,162,047</u>	<u>\$ 47,131,765</u>	<u>\$ (1,969,718)</u>

### Debt Administration

As of June 30, 2020, outstanding long-term obligations of the Commission consisted of the following:

Bond Description	Average Interest Rate (%)	Maturity Date	Balance Outstanding
Hoover visitor center, series 2014E	3.8	2043	\$ 26,740,000

The Commission's bonds are both general obligation and revenue supported (double-barreled) bonds. The Hoover visitor center bonds, the only currently outstanding bonds, are taxable bonds. The bonds are backed by the full faith and credit of the State; however, Commission bonds have always been, and will continue to be, self-supporting debt payable from revenues from the sale of power. Please refer to Note 8 to the financial statements for more detailed information related to debt activity of the Commission.

### Litigation and Arbitration

The Commission is not involved in any litigation at this time.

### Additional Information

This financial report is designed to provide a general overview of the Commission's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Division Chief, Finance and Administration, Colorado River Commission, 555 East Washington Avenue, Suite 3100, Las Vegas, NV 89101. In addition, the Commission maintains a website that provides additional information on all issues discussed in this analysis, on many other programs and projects of the Commission, and information related to customers and staff contacts. The website address is <http://crc.nv.gov>





Basic Financial Statements  
June 30, 2020

# Colorado River Commission of Nevada

Colorado River Commission of Nevada  
Statement of Net Position  
June 30, 2020

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents, unrestricted	\$ 14,192,971	\$ 4,241,760	\$ 18,434,731
Receivables			
Accounts	15,560	1,921,600	1,937,160
Accrued interest	79,466	32,511	111,977
Internal balances	227,765	(227,765)	-
Prepaid items	16,547	494,454	511,001
Current portion of prepaid power	-	1,686,284	1,686,284
<b>Total current assets</b>	<b>14,532,309</b>	<b>8,148,844</b>	<b>22,681,153</b>
<b>Noncurrent Assets</b>			
Restricted cash and cash equivalents	-	2,602,818	2,602,818
Capital assets being depreciated, net of accumulated depreciation	10,690	45,162,047	45,172,737
Prepaid power, net of current portion	-	23,863,942	23,863,942
<b>Total noncurrent assets</b>	<b>10,690</b>	<b>71,628,807</b>	<b>71,639,497</b>
<b>Total assets</b>	<b>14,542,999</b>	<b>79,777,651</b>	<b>94,320,650</b>
<b>Deferred Outflows of Resources</b>			
Deferred amounts related to OPEB	121,517	-	121,517
Deferred amounts related to pensions	1,083,150	-	1,083,150
<b>Total deferred outflows of resources</b>	<b>1,204,667</b>	<b>-</b>	<b>1,204,667</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 15,747,666</b>	<b>\$ 79,777,651</b>	<b>\$ 95,525,317</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 198,888	\$ 2,785,214	\$ 2,984,102
Accrued payroll	181,463	-	181,463
Unearned revenue	58,763	3,154,988	3,213,751
Payable to customers	-	1,726,683	1,726,683
Customer collateral and other deposits	-	1,196,235	1,196,235
Current portion of accrued compensated absences	328,966	-	328,966
Current portion of bonds payable	-	755,000	755,000
Accrued interest	-	260,564	260,564
<b>Total current liabilities</b>	<b>768,080</b>	<b>9,878,684</b>	<b>10,646,764</b>
<b>Noncurrent Liabilities</b>			
Bonds payable, net of current portion	-	25,847,118	25,847,118
Unearned revenue, net of current portion	-	42,247,331	42,247,331
Accrued compensated absences, net of current portion	189,443	-	189,443
Net OPEB liability	2,267,165	-	2,267,165
Net pension liability	5,986,027	-	5,986,027
<b>Total noncurrent liabilities</b>	<b>8,442,635</b>	<b>68,094,449</b>	<b>76,537,084</b>
<b>Total liabilities</b>	<b>9,210,715</b>	<b>77,973,133</b>	<b>87,183,848</b>
<b>Deferred Inflows of Resources</b>			
Deferred amounts related to OPEB	137,733	-	137,733
Deferred amounts related to pensions	565,680	-	565,680
<b>Total deferred inflows of resources</b>	<b>703,413</b>	<b>-</b>	<b>703,413</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>9,914,128</b>	<b>77,973,133</b>	<b>87,887,261</b>
<b>Net Position</b>			
Net investment in capital assets	10,690	45,162,047	45,172,737
Restricted Contractually for Certain Operations and Maintenance	-	-	-
Restricted for research and development	11,810,958	-	11,810,958
Unrestricted	(5,988,110)	(43,357,529)	(49,345,639)
<b>Total net position</b>	<b>5,833,538</b>	<b>1,804,518</b>	<b>7,638,056</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 15,747,666</b>	<b>\$ 79,777,651</b>	<b>\$ 95,525,317</b>

Colorado River Commission of Nevada  
Statement of Activities  
Year Ended June 30, 2020

	Expenses	Program Revenues	Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Governmental Activities	Business-type Activities	Total
Functions/Programs					
Governmental Activities					
General government	\$ 2,853,053	\$ 2,912,999	\$ 59,946	\$ -	\$ 59,946
Research and development	425,556	720,385	294,829	-	294,829
	<u>3,278,609</u>	<u>3,633,384</u>	<u>354,775</u>	<u>-</u>	<u>354,775</u>
Business-type Activities					
Power marketing	28,095,112	28,060,731	-	(34,381)	(34,381)
Power delivery	16,101,489	16,047,305	-	(54,184)	(54,184)
	<u>44,196,601</u>	<u>44,108,036</u>	<u>-</u>	<u>(88,565)</u>	<u>(88,565)</u>
Total	<u>\$ 47,475,210</u>	<u>\$ 47,741,420</u>	<u>354,775</u>	<u>(88,565)</u>	<u>266,210</u>
General Revenues					
Investment income			382,851	139,516	522,367
Gain on disposition of property and equipment			2,806	-	2,806
Miscellaneous			67,385	-	67,385
			<u>453,042</u>	<u>139,516</u>	<u>592,558</u>
Change in net position			807,817	50,951	858,768
Net position, beginning			<u>5,025,721</u>	<u>1,753,567</u>	<u>6,779,288</u>
Net position, ending			<u>\$ 5,833,538</u>	<u>\$ 1,804,518</u>	<u>\$ 7,638,056</u>

Colorado River Commission of Nevada  
Balance Sheet  
Governmental Funds  
June 30, 2020

	General Fund	Research and Development Special Revenue Fund	Total Governmental Funds
<b>Assets</b>			
Cash and Cash Equivalents	\$ 2,389,299	\$ 11,803,672	\$ 14,192,971
Receivables			
Accounts	15,560	-	15,560
Accrued interest	13,417	66,049	79,466
Prepaid Items	16,547	-	16,547
Due from Other Funds	227,765	-	227,765
Total assets	\$ 2,662,588	\$ 11,869,721	\$ 14,532,309
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 198,888	\$ -	\$ 198,888
Accrued payroll	181,463	-	181,463
Unearned revenue	-	58,763	58,763
Total liabilities	380,351	58,763	439,114
<b>Fund Balances</b>			
Nonspendable - prepaid items	16,547	-	16,547
Restricted for research and development	-	11,810,958	11,810,958
Unassigned	2,265,690	-	2,265,690
Total fund balances	2,282,237	11,810,958	14,093,195
Total liabilities and fund balances	\$ 2,662,588	\$ 11,869,721	
<b>Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position</b>			
Amounts reported for governmental activities in the statement of net position are different because			
long-term liabilities that are not due and payable in the current period are not reported in the funds.			
Accrued compensated absences		\$ (518,409)	
Net OPEB liability		(2,267,165)	
Net pension liability		(5,986,027)	
			(8,771,601)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.			
Deferred inflows of resources related to OPEB		(137,733)	
Deferred inflows of resources related to pensions		(565,680)	
Deferred outflows of resources related to OPEB		121,517	
Deferred outflows of resources related to pensions		1,083,150	
			501,254
Capital outlays to purchase or build capital assets are reported in the governmental funds as expenditures. For governmental activities, these costs are capitalized in the statement of net position and depreciated over their estimated useful lives.			
			10,690
Net position of governmental activities			\$ 5,833,538

Colorado River Commission of Nevada  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2020

	<u>General Fund</u>	<u>Research and Development Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Revenues			
Charges for services	\$ 2,912,999	\$ -	\$ 2,912,999
Investment income	66,435	316,416	382,851
Multi-species surcharge	-	720,385	720,385
Miscellaneous	67,385	-	67,385
Total revenues	<u>3,046,819</u>	<u>1,036,801</u>	<u>4,083,620</u>
Expenditures			
Current			
General administration	5,683,653	-	5,683,653
Less salaries and overhead recovered by allocation	(2,985,122)	-	(2,985,122)
Net general administration expenditures	2,698,531	-	2,698,531
Multi-species assessment	-	425,556	425,556
Water purchases	13,258	-	13,258
Total expenditures	<u>2,711,789</u>	<u>425,556</u>	<u>3,137,345</u>
Other financing sources			
Proceed from the sale of asset	2,806	-	2,806
Excess (deficiency) of revenues over (under) expenditures and change in fund balances	337,836	611,245	949,081
Fund balances, beginning	<u>1,944,401</u>	<u>11,199,713</u>	<u>13,144,114</u>
Fund balances, ending	<u>\$ 2,282,237</u>	<u>\$ 11,810,958</u>	<u>\$ 14,093,195</u>

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Amounts reported for governmental activities in the statement of activities are different because

Change in fund balances, governmental funds \$ 949,081

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense was greater than capital outlays in the current period. (5,594)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued compensated absences	(60,301)
Change in net OPEB liability and related deferred outflows and inflows of resources	14,486
Change in net pension liability and related deferred outflows and inflows of resources	<u>(89,855)</u>

(135,670)

Change in net position of governmental activities \$ 807,817

Colorado River Commission of Nevada  
Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual  
General Fund  
Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Power administrative charge	\$ 2,363,229	\$ 2,363,229	\$ 1,589,854	\$ (773,375)
Water charges	2,205,893	2,205,893	1,323,145	(882,748)
Investment income	80,202	80,202	66,435	(13,767)
Miscellaneous	59,347	59,347	67,385	8,038
Total revenues	<u>4,708,671</u>	<u>4,708,671</u>	<u>3,046,819</u>	<u>(1,661,852)</u>
<b>Expenditures</b>				
Current				
General government				
Personnel services	5,306,863	5,306,863	4,309,103	997,760
Travel				
Out-of-state	56,889	56,889	36,289	20,600
In-state	9,485	9,485	2,518	6,967
Operating				
Rent and insurance	146,091	146,091	147,679	(1,588)
Dues and registration fees	71,215	71,215	75,082	(3,867)
Contractual services	759,207	759,207	140,385	618,822
Other	261,880	263,280	274,023	(10,743)
Legal	609,844	609,844	609,465	379
Equipment, furniture and software	159,472	159,472	89,109	70,363
Water purchases	13,255	14,155	13,258	897
Total expenditures	<u>7,394,201</u>	<u>7,396,501</u>	<u>5,696,911</u>	<u>1,699,590</u>
Less salaries and overhead recovered by allocation	<u>(2,725,577)</u>	<u>(2,725,577)</u>	<u>(2,985,122)</u>	<u>259,545</u>
Net expenditures	<u>4,668,624</u>	<u>4,670,924</u>	<u>2,711,789</u>	<u>1,959,135</u>
<b>Other financing sources</b>				
Proceeds from sale of asset	<u>-</u>	<u>-</u>	<u>2,806</u>	<u>2,806</u>
Excess (deficiency) of revenues over (under) expenditures and change in fund balance	40,047	37,747	337,836	300,089
Fund balance, beginning	<u>1,692,571</u>	<u>1,932,745</u>	<u>1,944,401</u>	<u>11,656</u>
Fund balance, ending	<u>\$ 1,732,618</u>	<u>\$ 1,970,492</u>	<u>\$ 2,282,237</u>	<u>\$ 311,745</u>

Colorado River Commission of Nevada  
Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual  
Research and Development Special Revenue Fund  
Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Investment income	\$ 185,520	\$ 218,447	\$ 316,416	\$ 97,969
Multi-species surcharge	749,016	749,016	720,385	(28,631)
Total revenues	<u>934,536</u>	<u>967,463</u>	<u>1,036,801</u>	<u>69,338</u>
<b>Expenditures</b>				
Multi-species assessment	<u>978,948</u>	<u>978,948</u>	<u>425,556</u>	<u>553,392</u>
Net expenditures	<u>978,948</u>	<u>978,948</u>	<u>425,556</u>	<u>553,392</u>
Excess (deficiency) of revenues over (under) expenditures and change in fund balance	(44,412)	(11,485)	611,245	622,730
Fund balance, beginning	<u>10,557,285</u>	<u>11,184,879</u>	<u>11,199,713</u>	<u>14,834</u>
Fund balance, ending	<u><u>\$ 10,512,873</u></u>	<u><u>\$ 11,173,394</u></u>	<u><u>\$ 11,810,958</u></u>	<u><u>\$ 637,564</u></u>

Colorado River Commission of Nevada  
Statement of Net Position  
Proprietary Funds  
June 30, 2020

	Business-type Activities		
	Enterprise Funds		
	Power Marketing	Power Delivery	Totals
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents, unrestricted	\$ 2,669,070	\$ 1,572,690	\$ 4,241,760
Receivables			
Accounts	886,626	1,034,974	1,921,600
Accrued interest	24,532	7,979	32,511
Prepaid items	444,647	49,807	494,454
Current portion of prepaid power	1,686,284	-	1,686,284
Total current assets	<u>5,711,159</u>	<u>2,665,450</u>	<u>8,376,609</u>
<b>Noncurrent Assets</b>			
Restricted cash and cash equivalents	2,281,098	321,720	2,602,818
Capital assets			
Power transmission system, net	6,887,139	38,064,210	44,951,349
Automobiles and equipment, net	-	210,698	210,698
Prepaid power, net of current portion	23,863,942	-	23,863,942
Total non current assets	<u>33,032,179</u>	<u>38,596,628</u>	<u>71,628,807</u>
Total assets	<u>\$ 38,743,338</u>	<u>\$ 41,262,078</u>	<u>\$ 80,005,416</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 1,809,537	\$ 975,677	\$ 2,785,214
Unearned revenue	1,429,554	1,725,434	3,154,988
Payable to customers	60,971	1,665,712	1,726,683
Customer collateral and other deposits	1,168,575	27,660	1,196,235
Current portion of bonds payable	755,000	-	755,000
Due to other funds	17,534	210,231	227,765
Accrued interest	260,564	-	260,564
Total current liabilities	<u>5,501,735</u>	<u>4,604,714</u>	<u>10,106,449</u>
<b>Noncurrent Liabilities</b>			
Bonds payable, net of current portion	25,847,118	-	25,847,118
Unearned revenue	5,858,748	36,388,583	42,247,331
Total noncurrent liabilities	<u>31,705,866</u>	<u>36,388,583</u>	<u>68,094,449</u>
Total liabilities	<u>37,207,601</u>	<u>40,993,297</u>	<u>78,200,898</u>
<b>Net Position</b>			
Net investment in capital assets	6,887,139	38,274,908	45,162,047
Unrestricted	(5,351,402)	(38,006,127)	(43,357,529)
Total net position	<u>1,535,737</u>	<u>268,781</u>	<u>1,804,518</u>
Total liabilities and net position	<u>\$ 38,743,338</u>	<u>\$ 41,262,078</u>	<u>\$ 80,005,416</u>



Colorado River Commission of Nevada  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
Year Ended June 30, 2020

	Business-type Activities Enterprise Funds		
	Power Marketing	Power Delivery	Totals
Operating Revenues			
Power sales	\$ 28,060,731	\$ 16,047,305	\$ 44,108,036
Operating Expenses			
Power purchases	25,817,589	11,173,479	36,991,068
Prepaid power advances	1,684,284	-	1,684,284
Depreciation	317,867	1,729,815	2,047,682
General administration	275,372	3,198,195	3,473,567
Total operating expenses	28,095,112	16,101,489	44,196,601
Operating income (loss)	(34,381)	(54,184)	(88,565)
Nonoperating Revenues (Expenses)			
Investment income	93,904	45,612	139,516
Change in Net Position	59,523	(8,572)	50,951
Net Position, Beginning	1,476,214	277,353	1,753,567
Net Position, Ending	\$ 1,535,737	\$ 268,781	\$ 1,804,518

Colorado River Commission of Nevada  
Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2020

	Business-type Activities Enterprise Funds		
	Power Marketing	Power Delivery	Totals
Cash Flows from Operating Activities			
Cash received from customers	\$ 27,321,652	\$ 14,371,403	\$ 41,693,055
Cash paid for goods and services	<u>(26,090,609)</u>	<u>(14,370,378)</u>	<u>(40,460,987)</u>
Net cash provided (used) by operating activities	<u>1,231,043</u>	<u>1,025</u>	<u>1,232,068</u>
Cash Flows from Noncapital Financing Activities			
Cash used for debt service:			
Principal	(740,000)	-	(740,000)
Interest	<u>(1,049,840)</u>	<u>-</u>	<u>(1,049,840)</u>
Net cash provided (used) by noncapital financing activities	<u>(1,789,840)</u>	<u>-</u>	<u>(1,789,840)</u>
Cash Flows from Capital Financing Activities			
Acquisition of capital assets	<u>-</u>	<u>(77,964)</u>	<u>(77,964)</u>
Net cash provided (used) by capital financing activities	<u>-</u>	<u>(77,964)</u>	<u>(77,964)</u>
Cash Flows from Investing Activities			
Investment income received	<u>113,452</u>	<u>51,622</u>	<u>165,074</u>
Net cash provided (used )by investing activities	<u>113,452</u>	<u>51,622</u>	<u>165,074</u>
Net change in cash and cash equivalents (restricted and unrestricted)	(445,345)	(25,317)	(470,662)
Cash and Cash Equivalents, Beginning	<u>5,395,513</u>	<u>1,919,727</u>	<u>7,315,240</u>
Cash and Cash Equivalents, Ending	<u>\$ 4,950,168</u>	<u>\$ 1,894,410</u>	<u>\$ 6,844,578</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities			
Operating loss	\$ (34,381)	\$ (54,184)	\$ (88,565)
Depreciation	317,867	1,729,815	2,047,682
Gain on sale of capital assets	-	-	-
Amortization of prepaid power	1,809,943	-	1,809,943
Amortization of unearned revenue - power transmission	(283,488)	(1,675,628)	(1,959,116)
Amortization of bond premiums and discounts	5,995	-	5,995
(Increase) decrease in operating assets			
Accounts receivable	(313,339)	(270,009)	(583,348)
Prepaid items	39,428	(3,338)	36,090
Increase (decrease) in operating liabilities			
Accounts payable	(50,072)	32,611	(17,461)
Unearned revenue	(59,726)	(45,129)	(104,855)
Payable to customers	(284,233)	380,387	96,154
Customer collateral and other deposits	73,845	(65,523)	8,322
Due to other funds	12,996	(27,977)	(14,981)
Accrued interest	<u>(3,792)</u>	<u>-</u>	<u>(3,792)</u>
Net cash provided (used) by operating activities	<u>\$ 1,231,043</u>	<u>\$ 1,025</u>	<u>\$ 1,232,068</u>

## **Note 1 - Summary of Significant Accounting Policies**

### **Reporting Entity**

The Colorado River Commission of Nevada (the Commission) is responsible for managing the State of Nevada's interests in the water and power resources available from the Colorado River.

Seven commissioners have broad statutory authority to govern the Commission, which constitutes the reporting entity. The Commission, as a component unit of the State of Nevada (Nevada or the State), is also an integral part of that reporting entity. There are no other entities for which the Commission is financially accountable, thus requiring them to be reported as component units of the Commission.

All of the Commission's cash receipts and disbursements are processed and recorded by the State's Controller. Budgetary and cash controls are imposed by the State Controller on the Commission's general and special revenue funds, while other State-imposed cash control requirements apply to the Commission's enterprise funds. The Commission maintains its own revenue, expense and general journals and a general ledger.

### **Basis of Presentation, Measurement Focus, and Basis of Accounting**

#### **Basis of Presentation**

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) applicable to government units as prescribed by the Governmental Accounting Standards Board (GASB), principally GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended, along with related pronouncements. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Commission is not subject to regulation by federal or state utility regulatory bodies such as the Federal Energy Regulatory Commission or the Nevada Public Utilities Commission.

The preparation of financial statements in accordance with GAAP requires the use of estimates and assumptions that affect certain reported amounts and disclosures, some of which may require revisions in future periods. Accordingly, actual results could differ from these estimates and assumptions.

*Government-wide financial statements:* The statement of net position and the statement of activities display information on all of the activities of the Commission. Eliminations have been made where appropriate to minimize the double counting of internal activities, interfund services provided and used are not eliminated in the process of preparing the government-wide financial statements. These statements distinguish between the Commission's *governmental* and *business-type* activities. Governmental activities generally are financed through inter-governmental revenues and other exchange transactions. Business-type activities are financed primarily by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to that particular program or function. Certain indirect costs are included in the program expense reported for individual functions and activities. Program revenues consist of charges paid by the recipients of services offered by the programs. Revenues that are not classified as program revenues are presented as general revenues.

*Fund financial statements:* The fund financial statements provide information about the Commission's funds. Separate statements for each fund category – *governmental* and *proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. Any remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues of proprietary funds include investment earnings and revenues resulting from ancillary activities.

The Commission reports the following major governmental funds:

*General fund* – The general fund is the Commission's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*Research and Development fund* – This fund is used to account for the Lower Colorado River Multi-Species Conservation Program (LCRMSCP or MSCP), a fifty-year program that provides for Endangered Species Act (ESA) compliance. The program is administered by the United States Bureau of Reclamation (USBR) and the Fish and Wildlife Service. Program costs are paid by the USBR and the States of Nevada, California and Arizona. Nevada's share of Program funding is paid partially by the Southern Nevada Water Authority (paid directly to the USBR), and partially by the Commission's hydropower customers. The fund accounts for the collection and remittance of the Hydropower customers' portion of the program. In addition, certain program reserves are maintained in the fund for future MSCP needs. These reserves are contractually committed to the MSCP program.

Additionally, the Commission reports the following major enterprise funds:

*Power marketing enterprise fund.* This fund operates as a public utility and accounts for the activities of providing electrical power generated at a federal facility to its customers.

*Power delivery enterprise fund.* This fund is used to account for the construction and operation of power transmission equipment for the Southern Nevada Water Authority (SNWA).

### **Measurement Focus and Basis of Accounting**

*Government-wide and proprietary fund financial statements.* The government-wide and proprietary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. For the year ended June 30, 2020, there were no non-exchange transactions (those for which the Commission gives, or receives, value without directly receiving, or giving, equal value in exchange) reported in the accompanying financial statements.

*Governmental fund financial statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, principally charges for services and investment income, are susceptible to accrual and, therefore, recognized when measurable and available. Revenues are considered to be available if they are collected within sixty days after year end. Expenditures generally are recorded when the related liability is incurred, except for principal and interest on general long-term debt, claims and judgments, pension liabilities, and compensated absences, which are recognized as expenditures only when payment is due. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the Commission's policy to use restricted resources first when both restricted and unrestricted (unassigned) resources are available for use, and then unrestricted (unassigned) resources as needed.

### **Assets, Liabilities, and Equity**

#### **Cash Equivalents**

The Commission's restricted and unrestricted cash is deposited with the State Treasurer (the Treasurer) in a fund similar to an external investment pool (Notes 3 and 4). Because the amounts deposited with the Treasurer are sufficiently liquid to permit withdrawals in the form of cash at any time without prior notice or penalty, they are deemed to be cash equivalents.

State statutes authorize the Treasurer to invest the Commission's deposits in certain obligations of the United States of America, or its agencies or instrumentalities, and of state and local governments, as well as other financial instruments specified in Section 355.170 of Nevada Revised Statutes (NRS). The Treasurer is also permitted by statute to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The Commission had no outstanding securities lending transactions as of June 30, 2020.

Deposit values reflect unrealized gains and losses on invested funds as reported by the Treasurer.

#### **Receivables and Payables**

All outstanding balances between funds are reported as "due to/from other funds".

Since sales are made only to customers who are known to have acceptable credit and no bad debts have ever been sustained, an allowance for uncollectible accounts is not considered to be necessary.

#### **Prepaid Power**

The Commission has participated with the State in funding the improvement and renovation ("uprating") of the electrical power generation plant and visitors' center at Hoover Dam, which supplies the majority of the power sold through the power marketing fund. These costs are to be reimbursed in the form of power consumption and charged to expense over the estimated useful life of 30 years.

**Restricted Cash and Cash Equivalents**

The various resources that are limited as to use by bond covenants for debt service, operation and maintenance (O&M), and capital improvement and construction (acquisition) are classified as restricted cash and cash equivalents. Net position is restricted to the extent restricted assets exceed related liabilities and contractually with regard to certain operations and maintenance costs.

**Capital Assets**

Purchased or constructed capital assets are recorded at cost or estimated historical cost. Donated capital assets are reported at acquisition value. The capitalization threshold is \$5,000.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed.

Capital assets of the Commission are depreciated using the straight-line method over their useful lives currently estimated as follows:

Governmental Activities	Years
Office equipment	5
Office furniture and fixtures	5
Automobiles	4 – 6
Business-type Activities	Years
Power transmission systems	10 – 50
Office equipment	5
Automobiles	4 – 6

Estimated useful lives are determined by the State and the Commission has no authority to alter the estimated useful lives prescribed by the State.

**Compensated Absences**

It is the Commission's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Multiple-Employer Cost-Sharing Defined Benefit Pension Plan**

The Commission uses the same basis used in the Public Employees' Retirement System of Nevada's (PERS) Comprehensive Annual Financial Report for reporting its proportionate share of the PERS collective net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, including information related to PERS fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized by PERS when due and payable in accordance with the benefit terms. PERS investments are reported at fair value.

### **Deferred Inflows and Outflows of Resources**

Deferred outflows of resources represent a consumption of net position or fund balance that applies to future periods; and therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The government-wide statement of net position reports 1) the changes in proportion and differences between actual contributions and proportionate share of contributions related to pensions, which will be amortized over the average expected remaining service life of all employees that are provided with pension benefits, 2) the net difference between projected and actual earnings on pension plan investments, which are deferred and amortized over five years, and 3) contributions for pensions and OPEB made subsequent to the measurement date, which will be recognized in the subsequent year.

Deferred inflows of resources represent an acquisition of net position that applies to a future periods(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government-wide statement of net position reports 1) the differences between expected and actual experience and changes of assumptions, which will be amortized over the average expected remaining service life of all employees that are provided with pension benefits, 2) the net difference between projected and actual earnings on investments, which will be amortized over five years, and 3) changes in assumptions or other inputs to the total OPEB liability which are deferred and amortized over the average expected remaining service life of all employees that are provided with health benefits.

### **Unearned Revenue**

Unearned revenue represents advanced funding to the Commission from certain customers for the construction of electric power facilities to provide power for the customer's operations. These facilities are dedicated to the exclusive use of those customers and are the only existing method of delivery of electrical resources for their operations. Recovery of the cost of the facilities is a component of the cost of power resources provided and is being recognized over the life of the assets as the assets are consumed (depreciated).

### **Long-term Obligations**

In the accompanying government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Issuance costs are expensed as incurred.

### **Fund Equity or Net Position**

In the fund financial statements, governmental funds report five classifications of fund balance. Nonspendable are amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted is the result of constraints placed on assets that are externally imposed by creditors or imposed by law through constitutional provisions or enabling legislation. Committed are amounts set aside by formal action of the Commission's members. Formal Commission action is also required to modify or rescind an established commitment. Assigned is the result of constraints on amounts imposed by the government's intent to be used for specific purposes, but are neither restricted nor committed.

In the government-wide statements, equity is classified as net position and displayed in the following three components:

Net Investments in Capital Assets - This is the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted - The component of net position that reports the constraints placed on the use of assets by either external parties and/or enabling legislation.

Unrestricted - The difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that is not reported in Net Investment in Capital Assets or Restricted Net Position.

### **Change in Accounting Policy**

The Commission changed its accounting policy during the year with respect to how the State of Nevada Treasurer's interest is accounted for in the General Fund. In previous years, a portion of the interest was allocated from the General Fund to the other funds in a manner similar to the allocation of overhead expenses. In the current year, management determined that this allocation to other funds is unnecessary since the other funds each receive their own allocation of interest from the State of Nevada. This new method is preferable to the Commission as management believes it more accurately reflects the income attributable to each fund. The cumulative impact of this change in policy on net fund balance cannot be determined; therefore, the policy change has been applied prospectively. However, in the current year, the change in the General Fund balance was approximately \$44,000 higher under the new method than it would have been under the previous allocation method.

## **Note 2 - Stewardship, Compliance, and Accountability**

### **Budgetary Information**

Biennial budgets are adopted on a basis consistent with the accounting policies applied for financial reporting purposes by the Commission under GAAP except that encumbrances for goods and services not received by fiscal year end are considered expenditures of the current period solely for budgetary purposes. There were no encumbrances outstanding at the beginning or end of the year. Although budgets are adopted on a biennial basis, each year is treated separately and unexpended budget authorizations lapse at each year end.

Prior to September 1 of each even-numbered year, the State's Director of Administration submits proposed operating budgets to the Nevada Budget Division covering the biennium beginning the following July 1. After review of the budgets by the Nevada Budget Division between September 1 and November 15, hearings involving the Commission, the Director of Administration and the Governor are held between November 15 and December 22, of each budget year. The biennium budgets are transmitted to the State Legislature no later than the 10<sup>th</sup> day of the legislative session held in odd-numbered years and, for adjourning, the Legislature enacts the budgets.



Net expenditures of the general fund (gross expenditures less amounts allocated to other funds) are controlled by budget categories (personnel services, travel in-state, travel out-of-state, operating expenses, and capital outlay for the general fund; and general and administrative and intergovernmental for the special revenue fund).

Management of the Commission cannot amend any budget categories. However, the Director of Administration is authorized to approve requests for changes in the budget involving transfers between expenditure categories not exceeding 10% of originally budgeted expenditures, or \$30,000 in the aggregate, of the respective budget categories. Any changes exceeding 10% or \$30,000 require approval of the State Legislature's Interim Finance Committee.

### **Budgetary Information**

Following is a brief summary of the covenants included in the bond resolutions of the enterprise funds:

The Commission is required to charge purchasers of services and all users of the State facilities sufficient amounts to cover all operation and maintenance expenses (except depreciation), all debt service requirements, and any amounts required to be deposited in reserve accounts.

Monthly transfers for debt service – A debt service account is required to ensure payment of interest and principal when due. Transfers are made each month from revenues to provide 1/6 of the next semiannual interest payment and 1/12 of the annual bond principal payment.

Classes of users – The power marketing fund serves two classes of users, retail utility customers and industrial customers. The power delivery fund serves the SNWA and its customers.

Other – Other requirements of the bond covenants include maintaining bond funds in separate depository accounts with the State Treasurer and an audit of the Commission's financial statements by an independent certified public accountant.

During the fiscal year ended June 30, 2020, the Commission complied with all requirements of the bond covenants.

### **Note 3 - Cash Deposits**

At June 30, 2020, the Commission's carrying amount of restricted and unrestricted cash and cash equivalents was \$21,037,549. These deposits with the Treasurer are not categorized as to credit risk, but are fully insured by the FDIC or collateralized by the State's financial institutions. Securities used as such collateral must total 102 percent of the deposits with each financial institution.

**Note 4 - Restricted Cash and Cash Equivalents**

Cash and cash equivalents restricted at June 30, 2020, by bond covenants or contractual agreements are summarized as follows:

Restricted for:		
Debt service	\$	1,051,894
Reserve for revenue insufficiency		261,018
Cash held by contractual agreement		<u>1,289,906</u>
Total restricted	\$	<u><u>2,602,818</u></u>

**Note 5 - Capital Assets**

Capital asset activity for the year ended June 30, 2020, was as follows:

	Beginning Balances	Increase	Decrease	Ending Balances
<b>Governmental Activities</b>				
Capital assets being depreciated				
Office equipment	\$ 45,374	\$ -	\$ -	\$ 45,374
Office furniture and fixtures	25,574	-	720	24,854
Automobiles	<u>109,877</u>	<u>-</u>	<u>27,420</u>	<u>82,457</u>
Total capital assets being depreciated	<u>180,825</u>	<u>-</u>	<u>28,140</u>	<u>152,685</u>
Less accumulated depreciation				
Office equipment	45,374	-	-	45,374
Office furniture and fixtures	25,574	-	720	24,854
Automobiles	<u>93,593</u>	<u>5,594</u>	<u>27,420</u>	<u>71,767</u>
Total accumulated depreciation	<u>164,541</u>	<u>5,594</u>	<u>28,140</u>	<u>141,995</u>
Capital assets, net	<u><u>\$ 16,284</u></u>	<u><u>\$ (5,594)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,690</u></u>

Colorado River Commission of Nevada  
Notes to Financial Statements  
Year Ended June 30, 2020

	<u>Beginning Balances</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balances</u>
<b>Business-type Activities</b>				
Capital assets being depreciated				
Power transmission system	\$ 88,278,263	\$ -	\$ -	\$ 88,278,263
Office equipment	40,683	8,345	-	49,028
Automobiles	389,416	69,619	-	459,035
	<u>88,708,362</u>	<u>77,964</u>	<u>-</u>	<u>88,786,326</u>
Total capital assets being depreciated				
Less accumulated depreciation				
Power transmission system*	41,333,418	1,993,496	-	43,326,914
Office equipment	32,783	13,059	-	45,842
Automobiles	210,396	41,127	-	251,523
	<u>41,576,597</u>	<u>2,047,682</u>	<u>-</u>	<u>43,624,279</u>
Total accumulated depreciation				
Capital assets, net	<u>\$ 47,131,765</u>	<u>\$ (1,969,718)</u>	<u>\$ -</u>	<u>\$ 45,162,047</u>

Depreciation expense was charged to functions/programs as follows:

<u>Governmental Activities</u>	
General government	\$ 5,594
<u>Business-type Activities</u>	
Power marketing	317,867
Power delivery	<u>1,729,815</u>
	<u>\$ 2,053,276</u>

**Note 6 - Balances Due to/from Other Funds**

The composition of interfund balances, representing the net of short-term working capital advances and repayments, as of June 30, 2020, was as follows:

<u>Funds</u>	<u>Due From</u>	<u>Due To</u>
General	\$ -	\$ 227,765
Power marketing	17,534	-
Power delivery	<u>210,231</u>	<u>-</u>
	<u>\$ 227,765</u>	<u>\$ 227,765</u>

**Note 7 - Unearned Revenue**

The Commission has recognized two primary liabilities for unearned revenue, one each in the two enterprise funds. One liability is recorded in Power Delivery Project Fund (PDP) and is related to the electric power transformation and transmission facilities serving the SNWA water treatment and distribution facilities at Lake Mead and in Henderson, Nevada. The other liability is recorded in the Power Marketing Fund and is related to the Basic Step-down Yard facilities serving the Commission's retail Hydropower customers at the industrial complex also in Henderson at a different location. These liabilities represent customer advance funding for Commission owned and operated facilities to provide power for their operations.

The PDP facilities were constructed through the issuance of State of Nevada General Obligation Bonds in September of 1997, September of 1999 and in April of 2005. The facilities constructed are dedicated to the SNWA water related assets and are being used to deliver electric power to the water operations. The cost of the facilities in the form of the bond payment obligation was a component of the charges for power as the Commission delivered electricity to the SNWA. In 2011 and again in 2015 the SNWA prepaid the debt obligation and ultimately extinguished the Commission's Bond liability. This extinguishment constituted a prepayment for a portion of the future cost of the electric resources related to facility use as power will be delivered in the future. The Commission recorded the prepayment and recognizes the revenue from the prepayment in concert with the depreciation of the physical assets to match the revenue to the related depreciation costs as the facilities are used.

The Basic Step-Down yard facilities were constructed beginning in 1999 through 2002 and were funded through assessments on the retail customers as the facilities were built. Due to the number of customers involved there was no need to enter into debt to fund the construction and the project was completed through customer advance funding. The facilities and a liability in the form of unearned revenues were recorded and the depreciation and revenue have been recognized over the life of the assets from the beginning.

\$44,206,444 of the total unearned revenue balance at June 30, 2020 relates to construction and facilities and is being amortized over various useful lives as determined during construction for Phase I, Phase II and River Mountains, and over an average life of the 39.5 years for the Basic Step-down Yard. The remaining balance in unearned revenue primarily relates to amounts received for services not yet rendered as of June 30, 2020.

Future amortization of Unearned Revenue relating to construction and facilities will be recognized as follows:

Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

2021	\$	1,959,115
2022		1,959,115
2023		1,959,115
2024		1,959,115
2025		1,944,655
2026 - 2030		9,716,292
2031 - 2035		9,594,844
2036 - 2040		8,523,417
2041 - 2045		4,163,256
2046 - 2050		2,202,233
2051 - 2052		225,287
		225,287
		\$ 44,206,444

During the year ended June 30, 2020, the Commission recognized total revenue of \$1,959,115 related to the amortization of construction and facilities unearned revenue.

**Note 8 - Long-term Debt**

General Obligation Bonds

Section 3 of Article 9 of the Nevada State Constitution limits public debt to 2% of the State’s assessed valuation. The legislature may authorize debt that is not subject to the foregoing limitation to protect and preserve, or obtain the benefits of, any of its property or natural resources. The bonded debt incurred to fund the State’s share of the cost of uprating electrical generating facilities at Hoover Dam does not affect the legal debt margin, because it was incurred to obtain the benefits of the facility.

On March 12, 2014, because of delays in determining a final allocation of shared costs, interim bonds of \$28,425,000 were issued to fund the Commission’s expected share of the cost of construction of the visitor’s center at Hoover Dam, with expenditures charged to prepaid power. In June 2014, the Commission sold the \$29,475,000 Series 2014E General Obligation Refunding bonds, proceeds from which were used to pay off the interim bonds. These bonds mature annually on October 1, 2015 through 2043, with interest payable semi-annually on October 1 and April 1 at annual rates of .50% to 4.25%.

General obligation bonds outstanding at year end are summarized as follows:

Business-type Activities	Maturity Dates	Interest Rates	Outstanding at June 30, 2020
General obligation refunding series 2014E	2015 - 2043	0.50 to 4.25%	\$ 26,740,000

Annual debt service requirements to maturity for long-term debt consisting of general obligation bonds are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2021	\$ 755,000	\$ 1,033,573	\$ 1,788,573
2022	770,000	1,014,880	1,784,880
2023	800,000	993,670	1,793,670
2024	815,000	970,653	1,785,653
2025	835,000	945,058	1,780,058
2026 - 2030	4,655,000	4,257,998	8,912,998
2031 - 2035	5,610,000	3,265,808	8,875,808
2036 - 2040	6,580,000	1,960,525	8,540,525
2041 - 2044	5,920,000	515,950	6,435,950
	<u>\$ 26,740,000</u>	<u>\$ 14,958,115</u>	<u>\$ 41,698,115</u>

#### Changes in Long-term Obligations

Changes in long-term obligations during the year ended June 30, 2020, are summarized below:

	<u>Balance July 01, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Current</u>
Governmental Activities					
Accrued compensated absences	\$ 458,109	\$ 246,616	\$ 186,316	\$ 518,409	\$ 328,966
Business-type Activities					
General obligation bonds	27,480,000	-	740,000	26,740,000	755,000
Unamortized bond discount	(143,877)	-	(5,995)	(137,882)	-
Total	<u>\$ 27,794,232</u>	<u>\$ 246,616</u>	<u>\$ 920,321</u>	<u>\$ 27,120,527</u>	<u>\$ 1,083,966</u>

Accrued compensated absences are paid from the general fund.

#### Note 9 - Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Commission participates in the State risk pool and is liable for payment of nominal deductible amounts. The State then becomes responsible for all losses in excess of the nominal insurance deductible.

## **Note 10 - Commitments and Contingencies**

### **Litigation**

The Commission may from time to time be a party to various litigation matters. It is management's opinion, based upon advice from legal counsel, that the risk of financial losses to the Commission from such litigation, if any, will not have a material adverse effect on the Commission's future financial position, results of operations or cash flows. Accordingly, no provision has been made for any such losses.

### **Arbitrage Rebate Requirement**

The federal Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the Commission. Under this act, an amount may be required to be rebated to the United States Treasury (called "arbitrage"), for interest on the bonds to qualify for exclusion from gross income for federal income tax purposes. Rebatable arbitrage is computed as of each installment computation date. The arbitrage rebate calculation as of the most recent such date indicates that no amount is due. Future calculations might result in adjustments to this determination.

## **Note 11 - Multiple-Employer Cost-Sharing Defined Benefit Pension Plan**

The Commission's employees are covered by the Public Employees' Retirement System of Nevada (PERS), which was established by the Nevada Legislature in 1947, effective July 1, 1948, and is governed by the Public Employees Retirement Board (the PERS Board) whose seven members are appointed by the governor. The Commission does not exercise any control over PERS.

PERS is a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both regular and police/fire members. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits, as required by NRS, are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the system on or after January 1, 2010, and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the system on or after January 1, 2010, there is a 2.5% multiplier, and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579, which for members entering the system before January 1, 2010, is equal to the lesser of:

1. 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or
2. The average percentage increase in the Consumer Price Index (or the PERS Board approved index) for the three preceding years.

In any event, a member's benefit must be increased by the percentages in paragraph 1, above, if the benefit of a member has not been increased at a rate greater than or equal to the average of the Consumer Price Index (All Items) (or other PERS Board approved index) for the period between retirement and the date of increase.

For members entering the system on or after January 1, 2010, the post-retirement increases are the same as above, except that the increases do not exceed 4% per year.

Regular members are eligible for retirement at age 65 with 5 years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with 5 years of service, or age 62 with 10 years of service, or any age with 30 years of service. Regular members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service.

The normal ceiling limitation on the monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both regular and police/fire members become fully vested as to benefits upon completion of five years of service.

The authority of establishing and amending the obligation to make contributions and member contribution rates rests with NRS. New hires, in agencies which did not elect the employer-pay contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two alternative contribution plans. Contributions are shared equally by employer and employee in which employees can take a reduced salary and have contributions made by the employer or can make contributions by a payroll deduction matched by the employer.

The PERS basic funding policy provides for periodic contributions at a level pattern of cost as of percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.



PERS receives an actuarial valuation on an annual basis for determining the prospective funding contribution rates required to fund the system on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by NRS. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The actuarial funding method used is the entry age normal cost method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the year ended June 30, 2020, the required contribution rates for regular members were 15.25 percent and 29.25 percent for employer/employee matching and EPC, respectively. Contributions to the pension plan from the Commission were \$465,000 for the year ended June 30, 2020.

PERS collective net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For this purpose, certain actuarial valuation assumptions are stipulated by GASB and may vary from those used to determine the prospective funding contribution rates.

The total PERS pension liability was determined using the following actuarial assumptions (based on the results of an experience study for the period July 1, 2012 to June 30, 2016 dated October 16, 2017), applied to all periods included in the measurement:

Inflation Rate	2.75%
Payroll Growth	5.00% including inflation
Investment Rate of Return	7.5%
Productivity Pay Increase	0.5%
Consumer Price Index	2.75%
Actuarial cost method	Entry age normal and level percentage of payroll
Projected Salary Increases	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.90%, depending on service Rates include inflation and productivity increases
Other Assumptions	Same as those used in the June 30, 2019 funding actuarial valuation

Mortality rates (Regular and Police/Fire) – For healthy members it is the Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount – Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for healthy annuitants at age 50 to the mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-2016.

The mortality table used in the actuarial valuation to project mortality rates for all disabled regular members is the Headcount – Weighted RP-2014 Disabled Retiree Table, set forward four years.

For pre-retirement members it is the Headcount – Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016.

The RP-2014 Headcount-Weighted Mortality Tables, set forward one year for spouses and beneficiaries, reasonably reflect the projected mortality experience of the Plan as of the measurement date. The additional projection of 6 years is a provision made for future mortality improvement.

PERS's policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of PERS. The Following target asset allocation policy was adopted as of June 30, 2019:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return *
Domestic equity	42%	5.50%
International equity	18%	5.50%
Domestic fixed income	28%	0.75%
Private markets	12%	6.65%

\* These geometric return rates are combined to produce the long-term expected rate of return by adding the long-term expected inflation rate of 2.75%.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified by NRS. Based on the assumption, PERS's fiduciary net position at June 30, 2019, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments (7.50%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2019.

The Commission's proportionate share of the net pension liability at year end, calculated using the discount rate of 7.50%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.50%) or 1% higher (8.50%) than the current discount rate was as follows:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Net pension liability	\$ 9,268,638	\$ 5,986,027	\$ 3,257,344

Detailed information about PERS fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website, [www.nvpers.org](http://www.nvpers.org) under publications.

The Commission's proportionate share (amount) of the collective net pension liability was \$5,986,027 which represents 0.04390% of the collective net pension liability, which is a decrease from the previous year's proportionate share of 0.04395%. Contributions for employer pay dates within the fiscal year ended June 30, 2019, were used as the basis for determining each employer's proportionate share. Each employer's proportion of the net pension liability is based on their employer contributions relative to the total employer contributions for all employers for the period ended June 30, 2019.

For the year ended June 30, 2020, the Commission's pension expense was \$544,410 and its reported deferred outflows and inflows of resources related to pensions were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 224,469	\$ 172,659
Changes of assumptions or other inputs	243,606	-
Net difference between projected and actual earnings on investments	-	297,783
Changes in proportion and differences between actual contributions and proportionate share of contributions	150,075	95,238
Contributions subsequent to measurement date	465,000	-
	<u>\$ 1,083,150</u>	<u>\$ 565,680</u>

At June 30, 2019, the average expected remaining service life was 6.18 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$465,000 will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years ending June 30,</u>	
2020	\$ 24,306
2021	(101,880)
2022	51,313
2023	44,825
2024	29,417
2025	4,489
Total	<u>\$ 52,470</u>

## Note 12 - Employee Benefit Plans

*Plan Description* – The employees of the Commission participate in a cost-sharing, multiple-employer, defined benefit postemployment plan administered by the Board of the Public Employees' Benefits Program of the State of Nevada (PEBP). NRS 287.023 provides officers and employees eligible to be covered by any group insurance, plan of benefits or medical and hospital service established pursuant to NRS 287 the option upon retirement to cancel or continue any such coverage. The cost to administer the program is financed through the contributions and investment earnings of the plan. The PEBP Board is granted the authority to establish and amend the benefit terms of the program. (NRS 287.043) PEBP issues a publicly available financial report that includes financial statements and the required supplementary information for the plan. That report may be obtained from Public Employees' Benefits Program, 901 South Stewart Street, Suite 1001, Carson City, Nevada 89701.

*Benefits Provided* - Employees of the Commission, who meet the eligibility requirements for retirement and, at the time of retirement, are participants in the program, have the option upon retirement to continue group insurance pursuant to NAC 287.530. NRS 287.0436 establishes a subsidy to pay an amount toward the cost of the premium or contribution for persons retired from the Commission. Retirees assume any portion of the premium not covered by the State. The current subsidy rates can be found at [pebp.state.nv.us](http://pebp.state.nv.us). Benefits include health, prescription drug, dental, and life insurance coverage. As required by statute, benefits are determined by the number of years of service at the time of retirement and the individual's initial date of hire. Employees hired after December 31, 2011 are not eligible to receive subsidies to reduce premiums. The following individuals and their dependents are eligible to receive subsidies:

Any PEBP covered retiree with the Commission whose last employer was the state and who:

- Was initially hired prior to January 1, 2010 and has at least five years of public service: or
- Was initially hired on or after January 1, 2010, but before January 1, 2012 and has at least fifteen years of public service: or
- Was initially hired on or after January 1, 2010, but before January 1, 2012 and has at least five years of public service and has a disability: or

Any PEBP covered retiree whose last employer was not the state and who has been continuously covered under PEBP as a retiree since November 30, 2008.

*Contributions* - The State allocates funds for payment of current and future post-employment benefits other than pensions as a percentage of budgeted payrolls to all State agencies. The required contribution rate for employers, as a percentage of covered payroll, for the fiscal year ended June 30, 2019 was 0.0234. For the year ended June 30, 2020, these payments totaled \$72,666 for the Commission.

*OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB*-the Commission's net OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuation as of June 30, 2019. The Commission's proportion of the net OPEB liability was based on the Commission's share of contributions to PEBP relative to the total contributions of all participating employers. At June 30, 2020 the Commission's proportion was 0.1627 percent.

For the year ended June 30, 2020, the Commission recognized OPEB expense of \$123,598. At June 30, 2020, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 48,851	\$ 96,842
Net difference between projected and actual earnings	-	40,891
Contributions subsequent to the measurement date	72,666	-
Total	<u>\$ 121,517</u>	<u>\$ 137,733</u>

Deferred outflows of resources related to OPEB resulting from Employer contributions subsequent to the measurement date in the amount of \$72,666 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$ (45,278)
2021	(37,633)
2022	(7,660)
2023	1,689
Total	\$ (88,882)

*Actuarial Methods and Assumption-* The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.50%
Salary Increases	0.50% productivity pay increase, 2.68% average promotional and merit salary increase
Investment Rate of Return	3.51%
Healthcare Cost Trend Rates	7.5% initial, 4.5% ultimate

Mortality rates for healthy individuals were based on the RP-2014 combined healthy mortality projected to 2020 with scale MP-2016. For healthy post-retirement individuals, same assumptions were used, set forward one year for spouses and beneficiaries. Mortality rates for disabled individuals were based on the RP-2014 disabled retiree mortality projected to 2020 with scale MP-2016, set forward 4 years.

The actuarial assumptions used in the June 30, 2020 valuation were based upon certain demographic and other actuarial assumptions as recommended by the actuary, in conjunction with the State and guidance from the GASB statement.

*Discount Rate* - The discount rate basis under GASB 75 is required to be consistent with a 20-Year Municipal Bond Index. The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The assets in the trust as of June 30, 2019 are less than the expected benefit payments in the first year; therefore, the crossover period is assumed to be in the first year, which provides additional support for continuing the discount rate at the 20-Year Municipal Bond Index rate. The discount rate used to measure the total OPEB liability was 3.51%.

*Sensitivity of the OPEB liabilities to changes in the discount rate* - The following presents the net OPEB liabilities of the plans, as well as what each plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.51 percent) or 1-percentage-point higher (4.51 percent) than the current discount rate:

1% Decrease in Discount Rate 2.51%	Current Discount Rate Rate 3.51%	1% Increase in Discount Rate 4.51%
\$ 2,499,732	\$ 2,267,166	\$ 2,065,390

*Sensitivity of the OPEB liabilities to changes in the healthcare cost trend rates*- The following presents the net OPEB liabilities of the plans, as well as what each plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

1% Decrease in Healthcare Costs Trend Rate	Current Healthcare Costs Trend Rate	1% Increase in in Healthcare Costs Trend Rate
\$ 2,103,441	\$ 2,267,166	\$ 2,461,652

*OPEB plan fiduciary net position* - Detailed information about the OPEB plans' fiduciary net position is available in the separately issued audited annual financial statements of the State of Nevada State Retirees' Health and Welfare Benefits Fund, Public Employees' Benefits Program financial report.

### Note 13 - Joint Venture

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

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 (PSA) indicating each participating Member's allocation of project costs.

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

Financial information regarding SSEA can be obtained by writing:

Manager of Energy Accounting for  
the Silver State Energy Association  
P.O. Box 99956, MS 115  
Las Vegas, Nevada 89193-9956

The SSEA website is [www.silverstateenergy.org/](http://www.silverstateenergy.org/).

**Note 14 - Related Party**

The Commission is governed by seven commissioners, three of whom are appointed by the Southern Nevada Water Authority (SNWA) and four, including the board Chair, appointed by the Governor. The Commission and SNWA do not share staff members or members of management. The SNWA, a local governmental organization, is also one of the Commission's principal revenue payers (see Table 5 in Statistical Section). In fiscal 2020, the Commission received revenues from the SNWA for power and water resources but made no payments to the SNWA for any purpose. The SNWA publishes a Comprehensive Annual Financial Report which can be seen on their website at SNWA.com. In addition, the Commission's capacities work with other public entities, SNWA, other states, and various governmental entities in fulfilling its statutory responsibilities; however, no other entity has representatives on the board. In fiscal 2020, SNWA accounted for revenue of \$11,850,798.



Required Supplementary Information  
June 30, 2020

# Colorado River Commission of Nevada



**Colorado River Commission of Nevada**  
**Proportionate Share of the Collective Net Pension Liability Information**  
**Multiple – Employer Cost-Sharing Defined Benefit Pension Plan**  
**For the Fiscal Year Ended June 30, 2020 and Prior Nine Fiscal Years\***

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Valuation Date June 30,	Proportion of the collective net pension liability	Proportionate share of the collective net pension liability (asset)	Covered payroll	Proportionate share of the collective net pension liability as a percentage of covered payroll	PERS fiduciary net position as a percentage of the total pension liability
2014	0.04795%	\$ 6,305,091	\$ 2,348,229	268.50%	76.31%
2015	0.04795%	4,997,140	2,531,235	197.42%	75.13%
2016	0.04902%	6,596,117	2,575,317	256.13%	72.23%
2017	0.04412%	5,867,314	2,701,732	217.17%	74.40%
2018	0.04395%	5,993,734	2,856,435	209.83%	75.21%
2019	0.04390%	5,986,027	2,970,488	201.52%	76.46%

\* Information for the multiple-employer cost-sharing defined benefit pension plan is not available for years prior to the year ended June 30, 2014. As the information becomes available, this schedule will ultimately present information for the ten most recent fiscal years.

Colorado River Commission of Nevada  
 Statutorily Required Employer Contribution Information  
 Multiple – Employer Cost-Sharing Defined Benefit Pension Plan  
 For the Fiscal Year Ended June 30, 2020 and Prior Nine Fiscal Years \*

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Fiscal Year	Statutorily required contribution	Contributions in relation to the statutorily required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2014	\$ 527,504	\$ 527,504	\$ -	\$ 2,348,299	22.46%
2015	507,091	507,091	-	2,531,235	20.03%
2016	523,411	523,411	-	2,575,317	20.32%
2017	395,979	395,979	-	2,701,732	14.66%
2018	406,477	406,477	-	2,856,435	14.23%
2019	423,042	423,042	-	2,970,488	14.24%
2020	460,007	465,000	-	3,091,661	15.04%

\* Information for the multiple-employer cost-sharing defined benefit pension plan is not available for years prior to the year ended June 30, 2014. As the information becomes available, this schedule will ultimately present information for the ten most recent fiscal years.

Colorado River Commission of Nevada  
 Schedule of Commission Contributions for Other Postemployment Benefits  
 For the Fiscal Year Ended June 30, 2020 and Prior Nine Fiscal Years \*

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	<u>2018</u>	<u>2019</u>	<u>2020</u>
Commission's proportion of the net OPEB liability	0.1740%	0.1675%	0.1627%
Commission's proportionate share of the net OPEB liability	2,261,443	2,218,398	2,267,166
Commission's covered payroll	2,891,310	3,167,417	3,105,221
Commission's proportionate share of the net OPEB liability as a percentage of its covered payroll	78.2152%	70.0381%	73.0114%
Plan fiduciary net position as a percentage of the total OPEB liability	11.3300%	0.1205%	0.0166%

\* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until ten years of data is available, CRC will present information only for those years which information is available.

**Colorado River Commission of Nevada**  
**Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios**  
**For the Fiscal Year Ended June 30, 2020 and Prior Nine Fiscal Years \***

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	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contribution	\$ 68,235	\$ 52,354	\$ 72,662
Contributions in relation to the contractually required contribution	<u>66,117</u>	<u>69,279</u>	<u>72,666</u>
Contribution excess (deficiency)	<u>(2,118)</u>	<u>16,925</u>	<u>4</u>
Commission's covered payroll	\$ 2,749,712	\$ 3,167,417	\$ 3,105,221
Contributions as a percentage of covered payroll	2.48%	1.65%	2.34%

\* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until ten years of data is available, CRC will present information only for those years which information is available.



Statistical Section  
June 30, 2020

# Colorado River Commission of Nevada

This section of the Commission's comprehensive annual financial report presents detailed information as a context for the user's understanding of the entity in conjunction with the financial statements, note disclosures, and required supplementary information. The information contained in this section is designed to aid in analyzing trends and in determining the Commission's overall financial health and operating strategies.

The statistical section includes information that management has determined to be helpful to the user in the following general areas:

**Financial Trends**

These schedules contain information to help the financial statement user understand how the Commission's financial performance and well-being have changed over time.

**Revenue Capacity**

These schedules contain information to help the financial statement user understand the relative contribution of each of the Commission's customers to revenues and to make assessments on the ability to continue to generate that revenue.

**Debt Capacity**

These schedules present information to help the financial statement user assess the current levels of Commission debt and the ability to issue additional debt in the future.

**Demographic and Economic Information**

These schedules provide demographic and economic indicators to help the financial statement user understand the general environment in which the Commission's financial activities take place.

**Operating Information**

These schedules contain information about the Commission's operations and resources available to provide the services and perform the activities it has been given by the State to fulfill.

Colorado River Commission of Nevada  
Net position by Component  
Last Ten Fiscal Years (Unaudited) – Table 1

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities										
Net investment in capital assets	\$ 10,690	\$ 16,284	\$ 21,878	\$ -	\$ 2,102	\$ 4,887	\$ 7,673	\$ 10,925	\$ 19,196	\$ 35,121
Restricted for research and development	11,810,958	11,199,713	10,731,129	10,276,431	9,882,973	9,537,522	8,125,768	5,203,611	3,468,550	2,139,130
Unrestricted	(5,988,110)	(6,190,276)	(5,857,560)	(6,392,441)	(3,350,978)	(4,203,575)	2,712,559	2,955,658	2,573,169	1,924,972
<b>Total Governmental Activities Net Position</b>	<b>\$ 5,833,538</b>	<b>\$ 5,025,721</b>	<b>\$ 4,895,447</b>	<b>\$ 3,883,990</b>	<b>\$ 6,534,097</b>	<b>\$ 5,338,834</b>	<b>\$ 10,846,000</b>	<b>\$ 8,170,194</b>	<b>\$ 6,060,915</b>	<b>\$ 4,099,223</b>
Business-type Activities										
Net investment in capital assets	\$ 45,162,047	\$ 47,131,765	\$ 49,057,477	\$ 50,398,692	\$ 52,621,510	\$ 46,451,402	\$ 1,728,620	\$ 3,854,233	\$ 5,979,847	\$ (4,219,164)
Restricted for operations and maintenance	-	-	-	929,332	714,403	712,991	712,019	711,215	711,014	710,738
Unrestricted	(43,357,529)	(45,378,198)	(47,279,370)	(49,660,384)	(51,815,787)	(46,037,051)	(5,470,443)	(3,137,388)	(1,108,611)	8,484,670
<b>Total Business-type Activities Net Position</b>	<b>\$ 1,804,518</b>	<b>\$ 1,753,567</b>	<b>\$ 1,778,107</b>	<b>\$ 1,667,640</b>	<b>\$ 1,520,126</b>	<b>\$ 1,127,342</b>	<b>\$ (3,029,804)</b>	<b>\$ 1,428,060</b>	<b>\$ 5,582,250</b>	<b>\$ 4,976,244</b>
Total Entity-wide										
Net Investment in capital assets	\$ 45,172,737	\$ 47,148,049	\$ 49,079,355	\$ 50,398,692	\$ 52,623,612	\$ 46,456,289	\$ 1,736,293	\$ 3,865,158	\$ 5,999,043	\$ (4,184,043)
Restricted	11,810,958	11,199,713	10,731,129	11,205,763	10,597,376	10,250,513	8,837,787	5,914,826	4,179,564	2,849,868
Unrestricted	(49,345,639)	(51,568,474)	(53,136,930)	(56,052,825)	(55,166,765)	(50,240,626)	(2,757,884)	(181,730)	1,464,558	10,409,642
<b>Total Entity-wide Net Position</b>	<b>\$ 7,638,056</b>	<b>\$ 6,779,288</b>	<b>\$ 6,673,554</b>	<b>\$ 5,551,630</b>	<b>\$ 8,054,223</b>	<b>\$ 6,466,176</b>	<b>\$ 7,816,196</b>	<b>\$ 9,598,254</b>	<b>\$ 11,643,165</b>	<b>\$ 9,075,467</b>

Colorado River Commission of Nevada  
Changes in Net Position  
(Accrual basis of accounting)  
Last Ten Fiscal Years (Unaudited) – Table 2

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental Activities										
General government	\$ 3,278,609	\$ 3,248,545	\$ 2,323,521	\$ 3,371,208	\$ 2,620,776	\$ 2,637,347	\$ 2,595,457	\$ 2,058,890	\$ 1,901,012	\$ 2,306,101
Business-type Activities										
Power marketing	28,095,112	28,220,693	28,828,579	25,967,737	24,642,788	25,179,606	27,386,283	41,041,108	40,490,639	41,483,124
Power delivery	16,101,489	15,565,314	14,082,693	15,096,211	23,277,768	32,812,396	36,891,400	39,959,001	46,921,205	45,904,714
Total Business-type Activities	<u>44,196,601</u>	<u>43,786,007</u>	<u>42,911,272</u>	<u>41,063,948</u>	<u>47,920,556</u>	<u>57,992,002</u>	<u>64,277,683</u>	<u>81,000,109</u>	<u>87,411,844</u>	<u>87,387,838</u>
Total Entity-wide Expenses	<u>\$ 47,475,210</u>	<u>\$ 47,034,552</u>	<u>\$ 45,234,793</u>	<u>\$ 44,435,156</u>	<u>\$ 50,541,332</u>	<u>\$ 60,629,349</u>	<u>\$ 66,873,140</u>	<u>\$ 83,058,999</u>	<u>\$ 89,312,856</u>	<u>\$ 89,693,939</u>
Program Revenues										
Governmental Activities										
Charges for service										
Power administrative charge	\$ 1,589,854	\$ 1,025,858	\$ 900,715	\$ 926,483	\$ 1,141,701	\$ 220,817	\$ 1,140,050	\$ 1,167,674	\$ 1,259,804	\$ 1,219,897
Water charges	1,323,145	1,461,965	1,470,968	1,236,371	1,858,749	1,153,359	1,060,171	1,229,732	1,169,246	752,854
Multi-species surcharge	720,385	699,050	626,623	673,629	668,686	1,263,002	3,000,783	1,741,478	1,362,759	1,375,160
Total Governmental Activities Program Revenues	<u>3,633,384</u>	<u>3,186,873</u>	<u>2,998,306</u>	<u>2,836,483</u>	<u>3,669,136</u>	<u>2,637,178</u>	<u>5,201,004</u>	<u>4,138,884</u>	<u>3,791,809</u>	<u>3,347,911</u>
Business-type Activities										
Charges for service										
Power sales										
Power marketing	28,060,731	28,186,312	28,794,199	25,899,868	16,495,222	24,861,738	27,386,283	41,041,108	40,374,094	41,436,582
Power delivery	16,047,305	15,520,258	14,042,496	15,269,914	31,753,902	30,783,323	32,595,571	35,726,333	47,562,794	46,077,938
	<u>44,108,036</u>	<u>43,706,570</u>	<u>42,836,695</u>	<u>41,169,782</u>	<u>48,249,124</u>	<u>55,645,061</u>	<u>59,981,854</u>	<u>76,767,441</u>	<u>87,936,888</u>	<u>87,514,520</u>
Total Entity-wide Program Revenues	<u>\$ 47,741,420</u>	<u>\$ 46,893,443</u>	<u>\$ 45,835,001</u>	<u>\$ 44,006,265</u>	<u>\$ 51,918,260</u>	<u>\$ 58,282,239</u>	<u>\$ 65,182,858</u>	<u>\$ 80,906,325</u>	<u>\$ 91,728,697</u>	<u>\$ 90,862,431</u>



Colorado River Commission of Nevada  
Changes in Net Position  
(Accrual basis of accounting)  
Last Ten Fiscal Years (Unaudited) – Table 2 cont.

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Net Expenses</b>										
Governmental activities	\$ 354,775	\$ (61,672)	\$ 593,149	\$ (534,725)	\$ 1,048,360	\$ (169)	\$ 2,605,547	\$ 2,079,994	\$ 528,038	\$ (333,350)
Business-type activities	(88,565)	(79,437)	(74,577)	105,834	328,568	(2,346,941)	(4,295,829)	(4,232,668)	525,044	126,682
<b>Total entity-wide expense</b>	<u>\$ 266,210</u>	<u>\$ (141,109)</u>	<u>\$ 518,572</u>	<u>\$ (428,891)</u>	<u>\$ 1,376,928</u>	<u>\$ (2,347,110)</u>	<u>\$ (1,690,282)</u>	<u>\$ (2,152,674)</u>	<u>\$ 1,053,082</u>	<u>\$ (206,668)</u>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
Investment income	\$ 382,851	\$ 212,331	\$ 278,095	\$ 95,846	\$ 91,125	\$ 202,937	\$ 14,672	\$ 29,285	\$ 29,677	\$ 12,432
Miscellaneous	70,191	61,251	58,577	59,255	55,778	67,653	55,587	-	41,218	82,409
<b>Total Governmental Activities</b>	<u>453,042</u>	<u>273,582</u>	<u>336,672</u>	<u>155,101</u>	<u>146,903</u>	<u>270,590</u>	<u>70,259</u>	<u>29,285</u>	<u>70,895</u>	<u>94,841</u>
<b>Business-type Activities</b>										
Investment income	139,516	47,021	185,044	41,680	55,232	171,238	12,063	78,478	12,635	2,841
Abandonment loss	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	8,984	-	4,065	-	68,327	34,163
<b>Total business-type activities</b>	<u>139,516</u>	<u>47,021</u>	<u>185,044</u>	<u>41,680</u>	<u>64,216</u>	<u>171,238</u>	<u>16,128</u>	<u>78,478</u>	<u>80,962</u>	<u>37,004</u>
<b>Total Entity-wide</b>	<u>\$ 592,558</u>	<u>\$ 320,603</u>	<u>\$ 521,716</u>	<u>\$ 196,781</u>	<u>\$ 211,119</u>	<u>\$ 441,828</u>	<u>\$ 86,387</u>	<u>\$ 107,763</u>	<u>\$ 151,857</u>	<u>\$ 131,845</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 807,817	\$ 211,910	\$ 929,821	\$ (379,624)	\$ 1,195,263	\$ 270,421	\$ 2,675,806	\$ 2,109,279	\$ 598,933	\$ (238,509)
Business-type activities	50,951	(24,540)	110,467	147,514	392,784	(2,175,703)	(4,279,701)	(4,154,190)	606,006	163,686
<b>Total Entity-wide</b>	<u>\$ 858,768</u>	<u>\$ 187,370</u>	<u>\$ 1,040,288</u>	<u>\$ (232,110)</u>	<u>\$ 1,588,047</u>	<u>\$ (1,905,282)</u>	<u>\$ (1,603,895)</u>	<u>\$ (2,044,911)</u>	<u>\$ 1,204,939</u>	<u>\$ (74,823)</u>

Colorado River Commission of Nevada  
Fund Balances, Governmental Funds  
(Modified accrual basis of accounting)  
Last Ten Fiscal Years (Unaudited) – Table 3

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund Unassigned	<u>\$ 2,265,690</u>	<u>\$ 1,935,201</u>	<u>\$ 2,132,561</u>	<u>\$ 2,325,767</u>	<u>\$ 2,938,016</u>	<u>\$ 2,040,963</u>	<u>\$ 3,051,126</u>	<u>\$ 3,304,782</u>	<u>\$ 2,878,917</u>	<u>\$ 2,222,770</u>
All Other Governmental Funds Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reported in special revenue funds: Research and Development	<u>11,810,958</u>	<u>11,199,713</u>	<u>10,731,129</u>	<u>10,276,431</u>	<u>9,882,973</u>	<u>9,537,522</u>	<u>8,125,768</u>	<u>5,203,611</u>	<u>3,468,550</u>	<u>2,139,130</u>
Total all Other Governmental Funds	<u>\$11,810,958</u>	<u>\$11,199,713</u>	<u>\$10,731,129</u>	<u>\$10,276,431</u>	<u>\$ 9,882,973</u>	<u>\$ 9,537,522</u>	<u>\$ 8,125,768</u>	<u>\$ 5,203,611</u>	<u>\$ 3,468,550</u>	<u>\$ 2,139,130</u>

Colorado River Commission of Nevada  
Changes in Fund Balances, Governmental Funds  
(Modified accrual basis of accounting)  
Last Ten Fiscal Years (Unaudited) – Table 4

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Revenues</b>										
Charges for services	\$ 2,912,999	\$ 2,487,823	\$ 2,371,683	\$ 2,162,854	\$ 3,000,450	\$ 1,374,176	\$ 2,200,221	\$ 2,397,406	\$ 2,429,050	\$ 1,972,751
Investment income	382,851	212,331	278,095	95,846	91,125	202,937	14,672	29,285	29,677	12,432
Multi-species surcharge	720,385	699,050	626,623	673,629	668,686	1,263,002	3,000,783	1,741,478	1,362,759	1,375,160
Miscellaneous	67,385	61,251	58,577	59,255	55,778	67,653	55,587	-	41,218	82,409
<b>Total revenues</b>	<b>4,083,620</b>	<b>3,460,455</b>	<b>3,334,978</b>	<b>2,991,584</b>	<b>3,816,039</b>	<b>2,907,768</b>	<b>5,271,263</b>	<b>4,168,169</b>	<b>3,862,704</b>	<b>3,442,752</b>
<b>Expenditures</b>										
General administration	2,698,531	2,758,974	2,660,273	2,838,816	2,165,754	2,491,039	2,514,358	1,974,816	1,812,067	2,267,200
Multi-species assessment	425,556	408,828	399,966	358,618	394,061	-	-	-	-	-
Water purchases	13,258	12,229	13,255	12,941	13,717	15,138	15,074	14,244	15,134	14,270
Other	-	-	-	-	-	-	73,330	18,183	49,936	25,318
<b>Total expenditures</b>	<b>3,137,345</b>	<b>3,180,031</b>	<b>3,073,494</b>	<b>3,210,375</b>	<b>2,573,532</b>	<b>2,506,177</b>	<b>2,602,762</b>	<b>2,007,243</b>	<b>1,877,137</b>	<b>2,306,788</b>
<b>Other financing sources</b>										
Proceeds from sale of asset	2,806	-	-	-	-	-	-	-	-	-
<b>Excess (Deficiency) of Revenue Over (Under) Expenditures and Net Changes in Fund Balances</b>										
	<b>\$ 949,081</b>	<b>\$ 280,424</b>	<b>\$ 261,484</b>	<b>\$ (218,791)</b>	<b>\$ 1,242,507</b>	<b>\$ 401,591</b>	<b>\$ 2,668,501</b>	<b>\$ 2,160,926</b>	<b>\$ 1,985,567</b>	<b>\$ 1,135,964</b>

Colorado River Commission of Nevada  
Principal Revenue Payers  
Last Ten Fiscal Years (Unaudited) – Table 5

COLORADO RIVER COMMISSION

PRINCIPAL REVENUE PAYERS

LAST TEN FISCAL YEARS

Table 5

Customer	F/Y 2020						(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	
	Water	Power	(1)	Power	Power	Total	F/Y 2019	F/Y 2018	F/Y 2017	F/Y 2016	F/Y 2015	F/Y 2014	F/Y 2013	F/Y 2012	F/Y 2011
	Administrative	Administrative	LCRMSCP	Marketing	Delivery		Total	Total	Total	Total	Total	Total	Total	Total	Total
Southern Nevada Water Authority	\$ 1,294,419	\$ 127,529	\$ 50,512	\$ 2,008,396	\$ 8,369,942	\$ 11,850,798	\$ 11,713,784	\$ 11,827,537	\$ 12,203,475	\$ 12,179,218	\$ 14,358,251	\$ 15,461,521	\$ 39,874,221	\$ 51,300,955	\$ 49,486,766
Basic Water Company	5,715	34,037	29,459	356,459	565,314	990,984	1,043,885	935,995	823,636	759,596	1,010,474	927,791	762,502	675,012	775,087
Timet Metals Corporation	-	415,556	69,278	3,225,198	6,017,354	9,727,386	10,669,394	8,667,540	9,582,350	9,358,046	11,426,000	12,140,825	8,644,733	8,467,095	6,257,186
Olin Chlor Alkaline (formerly Pioneer)	-	6,963	2,256	117,664	109,779	236,662	260,497	330,139	383,347	5,976,246	10,207,738	11,692,303	7,932,926	7,733,604	8,752,522
LHOIST (formerly Chemical Lime Company)	-	3,398	1,294	46,076	10,763	61,531	66,033	89,454	74,523	70,022	52,184	60,153	60,431	53,158	62,531
EMD Acquisitions (formerly Tronox, LLC)	-	125,115	62,187	1,953,316	23,767	2,164,385	1,914,198	2,667,509	1,973,513	2,018,316	1,856,809	1,869,709	1,777,310	1,698,155	1,760,750
American Pacific Corporation	-	-	-	-	-	-	2,173	1,002	41,886	2,087,232	2,882,906	3,454,082	2,467,512	2,461,818	2,627,688
Lincoln County Power District No. 1	-	89,367	46,344	1,328,943	-	1,464,654	1,726,867	1,818,072	1,460,670	1,403,957	1,372,495	1,531,438	1,700,354	1,684,446	1,728,892
Overton Power District #5	-	100,878	34,851	2,066,062	-	2,201,791	2,285,133	2,287,432	2,351,212	2,174,710	2,040,250	2,453,914	2,301,447	2,534,041	2,562,159
Valley Electric Association	-	134,741	39,146	3,834,569	-	4,008,456	3,192,139	3,103,415	3,676,756	2,286,746	2,639,510	3,094,859	2,632,025	2,493,361	2,671,367
NV Energy (formerly Nevada Power Company)	-	441,975	301,015	9,351,486	946,861	11,041,337	10,590,762	11,182,056	10,134,276	9,814,515	9,234,032	11,217,704	11,497,753	11,306,542	10,607,889
City of Boulder City	-	43,249	44,669	1,316,647	-	1,404,565	1,370,511	1,400,132	1,278,026	1,258,457	1,175,756	1,251,852	1,204,679	1,294,400	3,588,478
Las Vegas Valley Water District	5,440	17,181	10,103	290,762	-	323,486	462,231	405,067	-	-	5,976	6,044	6,669	6,293	6,301
City of Henderson	16,757	10,726	5,771	226,030	-	259,284	259,669	227,417	16,089	16,947	19,070	19,831	17,961	19,143	16,804
Clark County School District	-	5,651	3,877	16,318	-	25,846	188,645	167,866	-	-	-	-	-	-	-
Clark County Water Reclamation District	-	10,287	5,480	212,742	-	228,509	231,372	199,424	-	-	-	-	-	-	-
City of Las Vegas	-	11,014	5,964	205,818	-	222,796	364,096	193,310	-	-	-	-	-	-	-
City of North Las Vegas	-	3,422	2,275	78,761	-	84,458	205,416	157,961	-	-	-	-	-	-	-
City of Mesquite	-	1,940	1,289	44,620	-	47,849	115,416	87,634	-	-	-	-	-	-	-
University of Nevada-Las Vegas	-	5,327	3,617	2,660	-	11,604	173,785	-	-	-	-	-	-	-	-
Tenaska	-	-	-	1,001,276	-	1,001,276	-	-	-	-	-	-	-	-	-
Western Area Power (WAPA)	-	-	-	411,609	-	411,609	-	-	-	-	-	-	-	-	-
Raw water sales <sup>(2)</sup>	814	-	-	-	-	814	760	767	6,506	6,529	787	832	802	674	17,939
Other power sales <sup>(3)</sup>	-	1,498	998	34,681	3,525	40,702	56,676	85,272	-	-	-	-	-	-	17,276
<b>Total</b>	<b>\$ 1,323,145</b>	<b>\$ 1,589,854</b>	<b>\$ 720,385</b>	<b>\$ 28,130,093</b>	<b>\$ 16,047,305</b>	<b>\$ 47,810,782</b>	<b>\$ 46,893,443</b>	<b>\$ 45,835,001</b>	<b>\$ 44,006,265</b>	<b>\$ 49,410,537</b>	<b>\$ 58,282,238</b>	<b>\$ 65,182,858</b>	<b>\$ 80,881,325</b>	<b>\$ 91,728,697</b>	<b>\$ 90,939,635</b>

(1) LCRMSCP charges are the charges for the Lower Colorado River Multi-Species Conservation Program. These charges are for the State of Nevada's participation in this species recovery program. The revenues collected from the water and power customers are paid to the federal government for the conservation program. Note that the Southern Nevada Water Authority also pays an additional charge directly to the federal government not collected by the Commission.

(2) Raw water sales include administrative charges on a number of very small water user contracts.

(3) Other power sales category for 2018 includes Hoover Hydropower sales to four new schedule "D" customers with less than \$100,000 in total sales; it also includes customer excess electric power resold on the market to various entities (\$2,764).

(4) The current year details are provided to allow the user to see the relative amounts of revenue sources to the Commission paid by the classes of customers. Only totals will be compared for past fiscal periods as inclusion of detail would make the table unreadable. For additional detail please see the annual financial report for the specific year at the Commission website at: [crrc.nv.gov](http://crrc.nv.gov)

Colorado River Commission of Nevada  
Ratios of Outstanding Debt  
Last Ten Fiscal Years (Unaudited) – Table 6

Fiscal Year	General Obligation Refunding Series 2014E	General Obligation Refunding Series 2012E	General Obligation Refunding 2011B	Power Delivery Refunding Series 20051	Power Uprating Refunding Series 2002	Hoover Uprating Refunding Series 2001	Power Delivery Series 1999A	Unamortized Premium	Unamortized Discount	Unamortized Adjustments	Total Outstanding Debt	Charges for Services	Revenue in Debt Ratio	Debt as a Percentage of Personal Income	Debt per Capita In Dollars
2011	\$ -	\$ -	\$ -	\$60,330,000	\$26,165,000	\$ 6,305,000	\$ -	\$ 2,410,113	\$ -	\$ (4,099,904)	\$ 91,110,209	\$89,487,271	0.98	1.27%	\$ 2,468
2012	-	-	5,545,000	47,755,000	22,370,000	-	-	2,620,239	-	(3,319,228)	74,971,011	90,365,938	1.21	0.97%	1,986
2013	-	17,085,000	5,545,000	47,755,000	-	-	-	2,915,211	-	(2,859,522)	70,440,689	80,966,325	1.15	0.91%	1,786
2014	29,475,000	13,110,000	5,545,000	47,755,000	-	-	-	2,255,216	(173,851)	-	97,966,365	65,182,858	0.67	1.20%	2,498
2015	29,475,000	8,960,000	5,545,000	-	-	-	-	758,899	(167,856)	-	44,571,043	58,282,239	1.31	0.52%	1,094
2016	29,055,000	4,595,000	5,545,000	-	-	-	-	186,942	(161,861)	-	39,220,080	51,918,260	1.32	0.44%	930
2017	28,635,000	-	5,545,000	-	-	-	-	-	(155,866)	-	34,024,134	44,006,265	1.29	N/A (1)	N/A (1)
2018	28,210,000	-	-	-	-	-	-	-	(149,872)	-	28,060,128	45,835,001	1.63	N/A (1)	N/A (1)
2019	27,480,000	-	-	-	-	-	-	-	(143,877)	-	27,336,123	46,893,443	1.72	N/A (1)	N/A (1)
2020	26,740,000	-	-	-	-	-	-	-	(137,882)	-	26,602,118	47,741,420	1.79	N/A (1)	N/A (1)

Generally, debt of the Colorado River Commission is allowed under the natural resource provisions of the State. As such, the debt is not subject to the debt limit as provided in the State constitution. However, each debt issuance and its corresponding project must be specifically authorized by the State Legislature either during a full session (in the odd numbered years) or through the Interim Finance Committee (a committee composed of legislators that meets as necessary to accommodate State needs when not in regular session). Although it is possible that the Commission may issue debt that would not be considered natural resource debt, such debt would impact the State debt limit and would also have to be approved by the Legislature. Such debt has never been issued by the Commission and will not be pursued in the foreseeable future.

For additional information related to the Commission's debt see footnote 8 in the Notes to the Financial Statements.

(1) Information not currently available

Colorado River Commission of Nevada  
Available Revenue Debt Coverage  
Last Ten Fiscal Years (Unaudited) – Table 7

Fiscal Year	Gross Revenues	Less: Operating Expenses	Add: Depreciation	Net Available Revenues	Debt Service			Coverage <sup>(1)</sup>
					Principal	Interest	Total	
2011	\$90,862,431	\$84,460,101	\$ 2,030,633	\$ 8,432,963	\$ 5,770,000	\$ 4,791,950	\$10,561,950	0.80
2012	91,728,697	84,921,105	2,024,827	8,832,419	5,490,000	5,012,438	10,502,438	0.84
2013	80,906,325	78,792,267	2,024,826	4,138,884	6,065,000	4,416,732	10,481,732	0.39
2014	65,182,858	62,010,746	2,024,827	5,196,939	4,005,000	3,242,334	7,247,334	0.72
2015	58,282,239	55,799,470	2,346,941	4,829,710	3,975,000	3,279,188	7,254,188	0.67
2016	49,410,536	48,093,319	2,351,919	3,669,136	4,785,000	1,690,220	6,475,220	0.57
2017	44,006,265	41,063,948	2,352,198	5,294,515	5,015,000	1,464,645	6,479,645	0.82
2018	45,835,001	42,911,272	2,034,801	4,958,530	5,970,000	1,208,183	7,178,183	0.69
2019	46,893,443	43,786,007	2,038,550	5,145,986	730,000	1,062,535	1,792,535	2.87
2020	47,741,420	44,196,601	2,047,682	5,592,501	740,000	1,049,840	1,789,840	3.12

(1) Water and power customers are contractually obligated to provide revenues sufficient to cover all operation and maintenance expenses except depreciation, plus all principal and interest requirements on outstanding debt. Operating losses, accumulated deficits and negative coverage ratios are the result of not charging for certain recorded expenses: i.e. depreciation, amortization of debt and pre-operational expenses. As annual requirements of debt principal progressively increase, annual revenues are expected to exceed recorded expenses, because principal payments are recorded as reductions of long-term debt rather than expenses. The losses, deficits and negative coverage ratios are expected to be progressively reduced and finally eliminated as the annual retirement of debt principal increase.

Colorado River Commission of Nevada  
Demographic Statistics  
Clark County, Nevada<sup>(1)</sup>  
Last Ten Fiscal Years (Unaudited) – Table 8

Year	Population	Personal Income (in thousands) <sup>(3)</sup>	Per Capita Income <sup>(3)</sup>	Total Labor Force <sup>(4)</sup>	Unemployment Rate <sup>(4)</sup>
2011	1,967,722	\$ 71,777,369	\$ 36,918	995,209	13.4%
2012	1,988,855	77,373,382	37,745	1,001,608	11.4%
2013	2,031,723	77,298,937	39,436	1,009,941	9.9%
2014	2,069,450	81,821,005	39,223	1,023,712	8.2%
2015	2,118,353	86,305,938	40,742	1,049,522	7.1%
2016	2,107,031	88,885,102	42,185	1,059,667	6.4%
2017	2,205,207	N/A	N/A	1,077,435	5.2%
2018	2,233,000	N/A	N/A	1,097,668	4.7%
2019	2,284,616	N/A	N/A	1,123,095	4.8%
2020	2,325,798 <sup>(2)</sup>	N/A <sup>(5)</sup>	N/A <sup>(5)</sup>	1,110,574	17.8%

(1) The Colorado River Commission of Nevada (Commission) is primarily a wholesale provider of electric power and only holds in trust the rights of the State of Nevada to the waters of the Colorado River. The Commission thus does not serve (except in limited capacity) end users of either water or power. In addition the customers served by the Commission are statutorily, not geographically defined. However, the principal area served by the customers of the Commission is the area encompassed by Clark County, Nevada. This presentation is provided to give some limited demographic information to the reader. For complete information on the demographic makeup of Clark County the reader is directed to the County's website at <http://www.co.clark.nv.us/>. Information on water treatment, delivery and purveyor information can be obtained at the Southern Nevada Water Authority's website at <http://www.snwa.com/>. Additional demographic information for the state can be obtained from the State of Nevada website at <http://www.nv.gov/>.

(2) Source: UNLV Center for Business and Economic Research, Population Forecasts, Long-Term Projections for Clark County, Nevada 2018-2050, May 2019 report. For calendar year ended during fiscal year.

(3) Source: U.S. Bureau of Economic Analysis. For calendar year ended during fiscal year.

(4) Source: Nevada Department of Employment Training and Rehabilitation, Clark County. June 2020.

(5) Information not currently available

Colorado River Commission of Nevada  
Principal Employers  
Clark County, Nevada <sup>(4)</sup>  
Current Year and Nine Years Ago – Table 9

Employer	Number of Employees <sup>(2)</sup>	Average Percentage of Total County Employment
<b>2020</b> <sup>(1)</sup>		
Clark County School District	40,000	3.67%
MGM Resort International	40,000	3.67%
Caesars Entertainment	26,250	2.41%
Clark County, Nevada	20,000	1.83%
Nellis Air Force Base	16,000	1.47%
Red Rock Resorts	13,500	1.24%
Boyd Gaming	11,500	1.05%
Wynn Resorts	10,500	0.96%
Las Vegas Sands	9,500	0.87%
Wal-Mart	8,500	0.78%
Total for Principal Employers		17.95%
Total Employment in Clark County <sup>(3)</sup>	1,090,753	
<b>2011</b> <sup>(2)</sup>		
Clark County School District	30,000 to 39,999	4.42%
Clark County, Nevada	8,000 to 8,499	1.17%
Wynn Las Vegas LLC	8,000 to 8,499	1.04%
Bellagio, LLC	7,500 to 7,999	1.04%
MGM Grand Hotel/Casino	7,500 to 7,999	0.98%
Aria Resort & Casino LLC	7,000 to 7,499	0.85%
Mandalay Bay Resort and Casino	6,000 to 6,499	0.79%
Las Vegas Metropolitan Police	5,500 to 5,999	0.73%
University of Nevada, Las Vegas	5,500 to 5,999	0.73%
Caesar's Palace	5,000 to 5,499	0.66%
Total for Principal Employers		12.41%
Total Employment in Clark County <sup>(3)</sup>	791,437	

(1) In FY2018, DETR changed the way top employers are reported by dispersing inter-company employment into single entities, therefore the data is not comparable to the period nine years prior.

(2) Note that Nevada Law prohibits the publishing of exact employment numbers

(3) Total employment numbers represent averages for the first quarter of each year shown above.

(4) The Colorado River Commission of Nevada (Commission) is primarily a wholesale provider of electric power and only holds in trust the rights of the State of Nevada to the waters of the Colorado River. The Commission thus does not serve (except in limited capacity) end users of either water or power. In addition the customers served by the Commission are statutorily not geographically defined. However, the principal area served by the customers of the Commission is the area encompassed by Clark County, Nevada. This presentation is provided to give some limited demographic information to the reader. For complete information on the demographic makeup of Clark County the reader is directed to the County's website at <http://www.co.clark.nv.us/>. Information on water treatment, delivery and purveyor information can be obtained at the Southern Nevada Water Authority's website at <http://www.snwa.com/>. Additional demographic information, including information from the Nevada Department of Employment Training and Rehabilitation can be obtained from the State of Nevada website at <http://www.nv.gov/>.

Sources:

2020 Applied Analysis. Pre-COVID-19 conditions, February 2020

2011 Nevada Department of Employment, Training and Rehabilitation (DETR)



Colorado River Commission of Nevada  
 Employees by Department  
 Last Ten Fiscal Years (Unaudited) – Table 10

Fiscal Year	Executive and Administrative	Water Department	Hydropower Department	SNWS Energy Services	Power Delivery O & M	Total
2011	13	3	3	9	6	34
2012	13	3	3	9	6	34
2013	14	3	3	8	6	34
2014	13	2	3	8	7	33
2015	15	1	2	7	7	32
2016	12	3	3	7	7	32
2017	13	3	3	8	7	34
2018	14	3	3	8	7	35
2019	14	3	3	8	7	35
2020	13	3	4	7	7	34

Source: Information was provided by Colorado River Commission's Internal HR System.

Colorado River Commission of Nevada  
Capital Asset Statistics by Function<sup>(1)</sup>  
Last Ten Fiscal Years (Unaudited) – Table 11

	(4) <u>2020</u>	(4) <u>2018</u>	(4) <u>2017</u>	(4) <u>2016</u>	(4) <u>2015</u>	(4) <u>2014</u>	(4) <u>2013</u>	(4) <u>2012</u>	(4) <u>2011</u>
<b>CRC POWER DELIVERY PROJECT AND BASIC INDUSTRIES SYSTEM<sup>(2)</sup></b>									
Miles of Transmission Lines:									
230-kV overhead lines	34	34	34	34	34	34	34	34	34
69-kV overhead lines	5	5	5	5	5	5	5	5	5
69-kV underground transmission lines	15	15	15	15	15	15	15	15	15
High-Voltage Substations:									
Transmission Substations (230-kV to 69-kV)	2	2	2	2	2	2	2	2	2
Distribution Substations (230-kV to 14.4-kV)	3	3	3	3	3	3	3	3	3
Distribution Substations (69-kV to 13.8-kV)	6	6	6	6	6	6	6	6	6
Distribution Substations (69-kV to 41.6-kV)	6	6	6	6	6	6	6	6	6
Total Substations	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>
Metered Facilities <sup>(3)</sup>	120	120	120	120	120	107	95	82	70
Total System Capacity in Megawatts	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
System Support Information:									
Communication Network									
Miles of fiber optic cable	58	58	58	58	58	58	58	58	58
Microwave radio sites	3	3	3	3	3	3	3	3	3

(1) Note all power related assets are owned and used in to deliver power to the Commission's customers only.

(2) The Power Delivery System (System) is a dedicated power transmission and delivery system that provides electric power resources to the facilities of the Southern Nevada Water Authority. With a total system capacity of 1,000 megawatts of transformer capacity the System is the 3<sup>rd</sup> largest transmission and distribution system within the State of Nevada. In addition, the System was designed with 100% redundancy including twin transformers. The System is normally operated at 50% capacity on each of the twin facilities in each substation. In the event of catastrophic failure, the remaining system can fully serve the load while repairs are effected. In addition, the transmission lines are a looped (circular) design allowing for feed to all facilities in either direction in the event of a break somewhere in the loop. This design is provided to ensure reliable delivery of water to the residents of Southern Nevada under almost any circumstances. Power facilities dedicated to the Basic Industries provide power to the industrial complex located in Henderson. The total capacity of the Basic Industries system is 150 Megawatts.

(3) In addition to the metered facilities indicated in this table, Commission staff operates and maintains additional metered facilities of the SNWA.

(4) Information was provided by Colorado River Commission's Power Delivery System.

Colorado River Commission of Nevada  
Operating Indicators  
Last Ten Fiscal Years (Unaudited) – Table 12

Power Purchases in Megawatt Hours (1) (4)

Customer	F/Y 2020	F/Y 2019	F/Y 2018	F/Y 2017	F/Y 2016	F/Y 2015	F/Y 2014	F/Y 2013	F/Y 2012	F/Y 2011
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
Southern Nevada Water Authority (2)	2,248,303	2,311,808	2,322,323	2,253,405	2,177,152	2,172,526	2,321,270	2,486,443	2,643,331	2,637,577
Basic Water Company	29,600	16,133	19,621	26,685	27,754	32,517	31,788	29,886	32,010	32,456
Timet Metals Corporation	335,640	180,665	203,008	349,788	382,280	400,530	401,072	343,173	368,939	277,949
Olin Chlor Alkaline (formerly Pioneer Americas, LLC )	5,868	2,921	5,080	9,242	180,019	243,017	272,761	222,273	237,558	248,713
Lhoist North America, Inc. (Formerly Chemical Lime Co.)	2,789	2,636	2,773	2,964	2,904	2,650	2,516	2,496	2,540	2,948
EMD Acquisitions (formerly Tronox, LLC)	92,540	103,340	104,453	108,027	121,041	128,496	119,634	114,593	112,392	113,884
American Pacific Corporation	-	-	-	2	69,382	97,607	108,715	89,874	94,495	99,283
Lincoln County Power District No. 1	74,602	81,009	76,200	68,127	74,362	85,067	77,581	81,905	90,337	88,844
Overton Power District #5	83,092	84,033	83,214	89,471	90,775	87,381	94,964	90,653	101,289	105,334
Valley Electric Association	133,694	109,553	119,611	137,139	102,225	100,105	117,806	109,780	114,131	115,119
NV Energy (formerly Nevada Power Company)	362,275	384,667	390,373	379,049	412,535	416,850	444,593	435,809	470,882	448,303
City of Boulder City	35,333	36,171	36,240	36,336	37,110	37,951	37,851	33,060	46,135	88,723
Clark County School District	4,757	5,010	3,960	-	-	-	-	-	-	-
Clark County Water Reclamation District	8,432	8,912	6,970	-	-	-	-	-	-	-
City of Henderson	8,792	9,292	7,269	-	-	-	-	-	-	-
City of Las Vegas	9,028	9,542	7,464	-	-	-	-	-	-	-
City of North Las Vegas	2,805	2,964	2,323	-	-	-	-	-	-	-
City of Mesquite	1,590	1,690	1,305	-	-	-	-	-	-	-
Las Vegas Valley Water District	14,075	14,923	11,680	-	-	-	-	-	-	-
University of Nevada-Las Vegas	4,435	4,671	3,692	-	-	-	-	-	-	-
Small Hoover Schedule "D" customers (3)	1,248	1,314	1,039	-	-	-	-	-	-	-
<b>Total</b>	<b>3,458,898</b>	<b>3,371,254</b>	<b>3,408,598</b>	<b>3,460,235</b>	<b>3,677,539</b>	<b>3,804,697</b>	<b>4,030,551</b>	<b>4,039,945</b>	<b>4,314,039</b>	<b>4,259,133</b>

Colorado River Commission of Nevada  
Operating Indicators  
Last Ten Fiscal Years (Unaudited) – Table 12 continued

**Power Purchases in Percentages**

	<u>F/Y 2020</u>	<u>F/Y 2019</u>	<u>F/Y 2018</u>	<u>F/Y 2017</u>	<u>F/Y 2016</u>	<u>F/Y 2015</u>	<u>F/Y 2014</u>	<u>F/Y 2013</u>	<u>F/Y 2012</u>	<u>F/Y 2011</u>
	<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>
Southern Nevada Water Authority <sup>(2)</sup>	65.00%	68.57%	68.89%	66.84%	64.58%	64.44%	68.85%	73.75%	78.41%	78.24%
Basic Water Company	0.86%	0.48%	0.58%	0.79%	0.82%	0.96%	0.94%	0.89%	0.95%	0.96%
Timet Metals Corporation	9.70%	5.36%	6.02%	10.38%	11.34%	11.88%	11.90%	10.18%	10.94%	8.24%
Olin Chlor Alkaline (formerly Pioneer Americas, LLC)	0.17%	0.09%	0.15%	0.27%	5.34%	7.21%	8.09%	6.59%	7.05%	7.38%
Lhoist North America, Inc. (Formerly Chemical Lime Co.)	0.08%	0.08%	0.08%	0.09%	0.09%	0.08%	0.07%	0.07%	0.08%	0.09%
EMD Acquisitions (formerly Tronox, LLC)	2.68%	3.07%	3.10%	3.20%	3.59%	3.81%	3.55%	3.40%	3.33%	3.38%
American Pacific Corporation	0.00%	0.00%	0.00%	0.00%	2.06%	2.90%	3.22%	2.67%	2.80%	2.94%
Lincoln County Power District No. 1	2.16%	2.40%	2.26%	2.02%	2.21%	2.52%	2.30%	2.43%	2.68%	2.64%
Overton Power District #5	2.40%	2.49%	2.47%	2.65%	2.69%	2.59%	2.82%	2.69%	3.00%	3.12%
Valley Electric Association	3.87%	3.25%	3.55%	4.07%	3.03%	2.97%	3.49%	3.26%	3.39%	3.41%
NV Energy (formerly Nevada Power Company)	10.47%	11.41%	11.58%	11.24%	12.24%	12.36%	13.19%	12.93%	13.97%	13.30%
City of Boulder City	1.02%	1.07%	1.07%	1.08%	1.10%	1.13%	1.12%	0.98%	1.37%	2.63%
Clark County School District	0.14%	0.15%	0.12%	-	-	-	-	-	-	-
Clark County Water Reclamation District	0.24%	0.26%	0.21%	-	-	-	-	-	-	-
City of Henderson	0.25%	0.28%	0.22%	-	-	-	-	-	-	-
City of Las Vegas	0.26%	0.28%	0.22%	-	-	-	-	-	-	-
City of North Las Vegas	0.08%	0.09%	0.07%	-	-	-	-	-	-	-
City of Mesquite	0.05%	0.05%	0.04%	-	-	-	-	-	-	-
Las Vegas Valley Water District	0.41%	0.44%	0.35%	-	-	-	-	-	-	-
University of Nevada-Las Vegas	0.13%	0.14%	0.11%	-	-	-	-	-	-	-
Small Hoover Schedule "D" customers <sup>(3)</sup>	0.04%	0.04%	0.03%	-	-	-	-	-	-	-
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

(1) Includes Megawatt Hour purchases for loads of all Commission customers. The Commission owns and operates electric transmission and distribution capital assets for the exclusive use of the SNWA and the Basic Industries complex in Henderson, NV. The Commission's major power deliveries are accomplished using these systems. These total comparisons are anticipated to be indicative of future sales as the Commission's customer base is anticipated to remain relatively stable. It is possible that some additional customers could utilize the Commission for electric power resource, but the remaining probable customers available to the Commission under the changed legislative mandate must be part of the SNWA base and are not anticipated to materially change the reported megawatt usage amounts.

(2) SNWA sales include water purveyor related purchases brokered by CRC employees acting on behalf of the SSEA to provide continuity of data related to Commission customers.

(3) Small Hoover Schedule "D" customers include six customers, contracted in fiscal 2018, with megawatt hours under 3,000 and total sales under \$100,000.

(4) Information was provided by the Colorado River Commission's Power Purchasing Group.

Colorado River Commission of Nevada  
Risk Management  
Last Ten Fiscal Years (Unaudited) – Table 13

COLORADO RIVER COMMISSION

RISK MANAGEMENT

LAST TEN YEARS (UNAUDITED)

Table 13

Customer	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Collateral Posted	Cash Posted	Other Posted	Estimated Requirement Fiscal 2021 **
Basic Water Company	\$ 201,641	\$ 149,367	\$ 173,867	\$ 163,009	\$ 201,006	\$ 237,115	\$ 236,944	\$ 180,079	\$ 206,701	\$ 192,164	\$ 270,984	\$ 270,984	\$ 270,984	\$ -	\$ 275,212
Titanium Metals Corporation (TIMET)	1,979,587	1,365,778	1,684,321	2,234,054	2,293,921	3,062,094	2,841,318	2,133,149	2,364,560	2,330,005	2,693,081	2,693,081	-	2,693,081	2,002,197
Olin Chlor Alkaline (Pioneer )	3,388,053	2,540,320	2,217,086	1,755,462	2,251,738	2,968,251	2,260,932	115,011	98,232	83,237	77,024	77,024	\$ 77,024	-	67,641
Lhoist North America Inc. (Formerly Chemical Lir	16,032	21,186	13,572	14,189	14,404	14,810	17,305	18,064	23,097	18,884	18,974	18,974	18,974	-	21,079
Tronox, LLC	406,215	406,215	440,232	444,940	466,570	450,793	550,515	508,162	508,630	-	-	-	-	-	-
EMD Acquisition, LLC	-	-	-	-	-	-	-	-	-	750,000	750,000	750,000	750,000	-	750,000
American Pacific Corporation	945,817	765,495	649,990	595,928	715,446	815,289	772,170	-	-	-	-	-	-	-	-
* Southern Nevada Water Authority	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* Lincoln County Power District No. 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* Overton Power District #5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* Valley Electric Association	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* Nevada Energy (Nevada Power Company)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* Las Vegas Valley Water District	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* City of Boulder City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* City of Henderson	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* City of Las Vegas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* City of North Las Vegas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* City of Mesquite	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* College of Southern Nevada	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* Nevada Department of Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* Nevada Department of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* Nevada Department of Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 6,937,345</b>	<b>\$ 5,248,361</b>	<b>\$ 5,179,068</b>	<b>\$ 5,207,582</b>	<b>\$ 5,943,085</b>	<b>\$ 7,548,352</b>	<b>\$ 6,679,184</b>	<b>\$ 2,954,465</b>	<b>\$ 3,201,220</b>	<b>\$ 3,374,290</b>	<b>\$ 3,810,062</b>	<b>\$ 3,810,063</b>	<b>\$ 1,116,982</b>	<b>\$ 2,693,081</b>	<b>\$ 3,116,129</b>

Nevada Revised Statutes 538.181(2) requires that the Colorado River Commission's power customers, except a federal or state agency or political subdivision, provide an indemnifying bond or other collateral "in such sum and in such manner as the commission may require, conditioned on the full and faithful performance" of their power contracts. Due to the volatile nature of the electric power markets the commission has determined the collateral requirements for the appropriate customers to be one-fourth of the customer's gross annual purchases as calculated from October 1 through September 30 of each preceding year.

As of June 30, 2018 all of the customers required to post collateral have done so in the amounts required. Three customers have posted cash (for two of these customers, cash collateral is required by specific bilateral contract, one has elected to post cash), all other customers have posted letters of credit or performance bonds as approved by the Nevada State Board of Examiners. Posted collateral limits the risk inherent in the Commission's utility functions and protects the state to the full extent allowed under law.

\* Governmental and utility entities are exempt from collateral requirements.



**Independent Auditor’s 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***

To the Members of the Colorado River Commission of Nevada  
Colorado River Commission  
Las Vegas, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Colorado River Commission of Nevada (the Commission) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements and have issued our report thereon dated December 22, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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 "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Las Vegas, Nevada  
December 22, 2020